CITY OF UNIVERSITY PARK, TEXAS

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Year Ended September 30, 2025

Issued by

Department of Finance

Prepared by:

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Finance

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BY:

CITY OF UNIVERSITY PARK, TEXAS

Annual Comprehensive Financial Report

For the Fiscal Year Ended September 30, 2025

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City of University Park
Committed to Excellence

March 24, 2026

To the Honorable Mayor, Members of the Governing Council, and Citizens of the City of University Park:

The Finance Department and City Manager's Office are pleased to submit the Annual Comprehensive Financial Report for the City of University Park, Texas for the fiscal year ended September 30, 2025. The purpose of this report is to provide the City Council, citizens, representatives of financial institutions, and others with detailed information concerning the financial condition and performance of the City of University Park. In addition, this report provides assurance that the City presents fairly, its financial position, as verified by independent auditors.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Weaver and Tidwell, LLP, Certified Public Accountants, have issued an unmodified opinion on the City of University Park's financial statements for the year ended September 30, 2025. The independent auditor's report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

City Profile

Incorporated in 1924, the City of University Park, Texas, is a stately residential community located five miles north of downtown Dallas, Texas. University Park is surrounded by Dallas on three sides and by Highland Park on the fourth. The City limits have been unchanged since the 1950's and encompass a land area of 3.8 square miles with an estimated population of 25,574. Home to Southern Methodist University, University Park is known for its excellent schools, fine homes and churches, and outstanding local services.

Government Structure

The City has operated under the council-manager form of government since 1989, after voter approval of a Home Rule Charter. Policy-making and legislative authority are vested in the City Council, consisting of a Mayor and four Council members. The City Council is responsible for approving ordinances, adopting the budget, appointing committees and hiring the City Manager, City Attorney, and City Judge.

Elected on an at-large, non-partisan basis, Council members serve concurrent two-year terms and are limited to three consecutive terms. The Mayor is elected to serve a two-year term and is also limited to three consecutive terms. The City is empowered to levy a property tax on both real and personal property located within its boundaries.

The City Manager is responsible for carrying out the policies and implementing the ordinances of the City Council. He also oversees the day-to-day operations of the government, appoints the directors of the various departments, and prepares an annual budget.

Services Provided

The City of University Park provides a full range of municipal services, including police and fire protection, solid waste collection and disposal, street maintenance and repair, water distribution, wastewater collection, stormwater control, traffic control, building inspection, park maintenance, and swimming pool operation.

Internal services of the City, accounted for on a cost reimbursement basis, are fleet services, risk management, technology services, and employee health and disability coverage.

The City is also financially accountable for three legally separate entities: the University Park Civic Foundation, Inc., the Southwest Higher Education Authority, Inc., and the Texas Higher Education Authority, Inc. Additional information on all three entities can be found in Note I.A. to the financial statements.

Accounting System and Budgetary Control

The City's accounting records for general governmental operations are maintained on a modified accrual basis, with revenues being recorded when available and measurable and expenditures being recorded when the goods or services are received and the liabilities are incurred. Accounting records for the City's utilities and other proprietary activities are maintained on an accrual basis. The following funds are appropriated on an annual basis: the General Fund, Utility Fund, Sanitation Fund, Stormwater Fund, and Aquatics Fund.

In developing and maintaining the City's accounting system, consideration is given to the adequacy of the internal control structure. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding: 1) reliability of financial reporting, 2) effectiveness and efficiency of operations, and 3) compliance with applicable laws and regulations. The concept of reasonable assurance recognizes that: 1) the cost of a control should not exceed the benefits likely to be derived; and 2) the evaluation of costs and benefits requires estimates and judgments by management.

The annual budget serves as the foundation for the City's financial planning and control. Each year the City Manager submits a proposed budget to the City Council. The Council reviews the budget and undertakes formal adoption of the budget through ordinance by September 30. The City Manager is authorized to transfer budgeted amounts between line items and departments within any fund. Any revisions that alter the total expenditures of any fund must be approved by the City Council.

Budgetary control has been established at the individual fund level. Financial reports are produced showing budget and actual expenditures by line item, and are posted electronically on a monthly basis for City departmental management. Individual line items are reviewed for budgetary compliance. Personnel expenditures are monitored and controlled at a position level and capital expenditures are monitored and controlled on a project/sub-project basis. Revenue budgets are reviewed monthly.

Local Economy

The City of University Park enjoys a relatively stable economic environment, which is largely the result of its economic makeup, residential orientation and highly desirable location in the Dallas-Ft. Worth area. While the overall lack of commercial and industrial base means that the City relies primarily on residential property tax revenue, that reliance also affords a measure of protection from sharp swings in the business cycle. Over the past several years, the City's largest employer, Southern Methodist University, has continued to expand both its physical footprint and national reputation. Major campus developments include the George W. Bush Presidential Center and the SMU Sophomore Commons, both of which have enhanced the University's profile and contributed positively to the local economy and community.

In FY2025, the average market value of a residential parcel in the City increased to $2,466,515, a 20.7% increase from $2,044,097 in FY2024. The property tax rate decreased 2.7% from 23.6226 cents per hundred in FY2024, to 22.9964 cents per hundred in FY2025. This resulted in a budgeted tax revenue increase of $1.7 million (6.6%) due to the increase in the total certified taxable base, which grew by 9.5% year over year.

Long-term Financial Planning

The City Council continues to endorse both the pay-as-you-go philosophy for infrastructure replacement, and the rolling 5-year Capital Improvements Program as formulated and approved by the Capital Projects Review Committee.

Awards and Acknowledgments

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of University Park for its Annual Comprehensive Financial Report for the fiscal year ended September 30, 2024. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for that certificate.

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the Finance Department. We would like to express our appreciation to all City employees who assisted in and contributed to the preparation of this report.

We would also like to thank the members of the City Council for their unfailing support in conducting the financial operation of the City in a responsible and progressive manner.

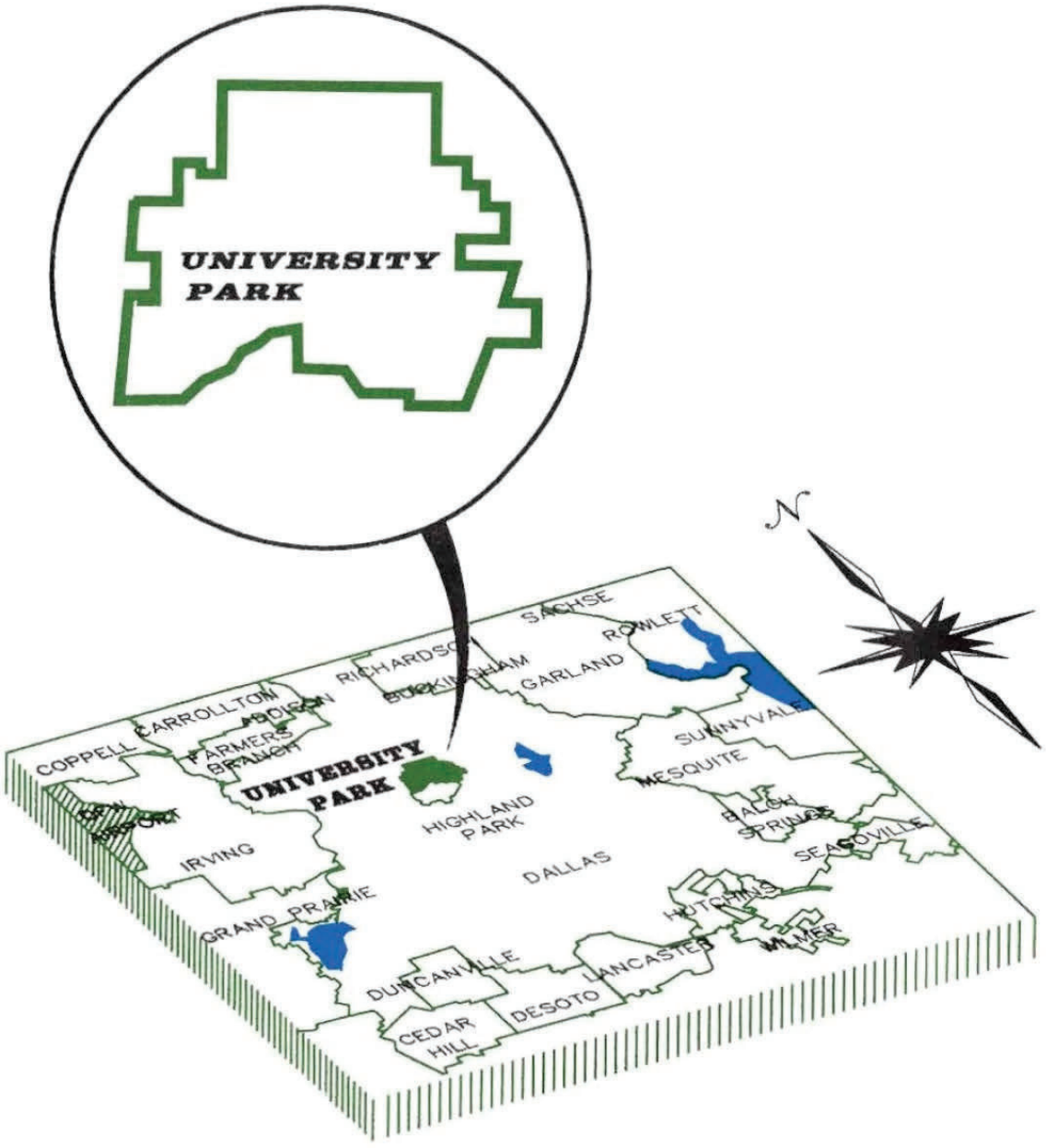
Respectfully submitted,

Robert L. Corder, III
City Manager

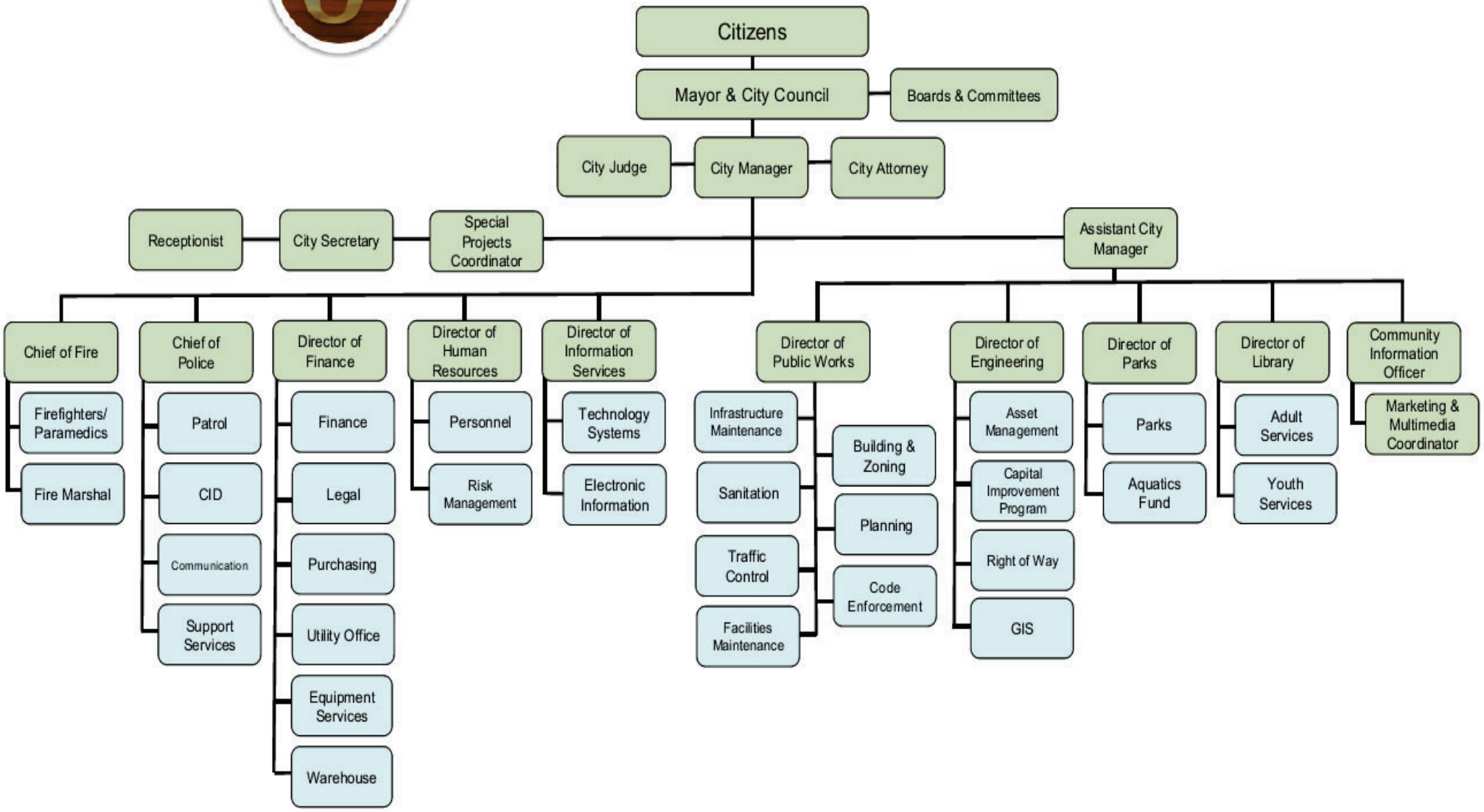
Thomas W. Tvardzik
Director of Finance

Brian Hogan, CPA
Controller

MAP OF UNIVERSITY PARK AND DALLAS COUNTY AREA



City of University Park



CITY OF UNIVERSITY PARK, TEXAS

Elected Officials

Official and Title	First Elected	Term Expires	Professional Background
Thomas H. Stewart, Mayor	2020	2026	Commercial Real Estate
Mark Aldredge, Mayor Pro Tempore	2020	2026	Real Estate Developer
Bob Myers, Councilmember	2022	2026	Commercial Real Estate
Phillip B. Philbin, Councilmember	2022	2026	Attorney
Melissa Rieman, Councilmember	2024	2026	Business Owner

Appointed Officials

Name	Position	Year Appointed
Robert L. Corder III	City Manager	2014
Robert L. Dillard, III	City Attorney	1987
James P. Barklow, Jr.	Municipal Judge	1987
Thomas W. Tvardzik	Director of Finance	2013

Certified Public Accountants

Weaver and Tidwell, LLP, Dallas, Texas

Financial Advisor

Hilltop Securities Inc., Dallas, Texas

2300 North Field Street, Suite 1000
Dallas, Texas 75201
972-490-1970

Independent Auditor's Report

To the Honorable Mayor and Members of the City Council
The City of University Park, Texas

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of University Park, Texas (City), as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the University Park Firemen's Relief and Retirement Fund (FRRF), a fiduciary component unit of the City, which represent 36%, 41%, and 21%, respectively, of the total assets and deferred outflows of resources, fund balance/net position, and revenues/additions of the aggregate remaining fund information. Those statements were audited by other auditors whose report has been furnished to us, and our opinion on the aggregate remaining fund information, insofar as it relates to the amounts included for FRRF, is based solely on the report of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

The City's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying combining nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the other supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information Included in the Annual Comprehensive Financial Report (ACFR)

Management is responsible for the other information included in the ACFR. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 24, 2026 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Dallas, Texas
March 24, 2026

RECEIVED
MAR 24 2026
BY: Christina L. Green

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of University Park (the "City"), we offer this narrative overview and analysis of the financial activities and financial position of the City for the fiscal year ended September 30, 2025. In the broadest context, the financial well-being of a government lies in the underlying wealth and willingness of its citizens and property owners to pay adequate taxes combined with the vision of the government's elected and appointed leadership to spend those taxes strategically. This allows the City's tax base, service levels, assets and desirability to be maintained not just for the current year but well into the future. Financial reporting is limited in its ability to provide this "big picture" but rather focuses on financial position and changes in financial position. In other words, are revenues and/or expenses/expenditures higher or lower than the previous year? Has net position (containing both short and long-term assets and liabilities) or fund balances (the current "spendable" assets less current liabilities) of the government been maintained?

We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our Letter of Transmittal, which can be found on pages i-iv of this report. It should be noted that the Independent Auditor's Report describes the auditor's association with the various sections of this report and that all of the additional information from the City website and other City sources is unaudited and may not be updated for events that may have occurred subsequent to the issuance of the respective report.

Financial Highlights

- The City's total net position increased by $6.3 million during fiscal 2025. Total net position increased from $217.0 million to $223.3 million, or 2.9% indicating that the City's overall financial position improved during the year, although at a slower pace than in fiscal 2024. As in prior years, the largest portion of net position was invested in capital assets and therefore not available for current spending.
- Current resources declined as the City advanced capital projects. Total current and other assets decreased from $88.0 million to $71.4 million, while net capital, lease, and subscription assets increased from $170.4 million to $205.4 million. This change reflects the conversion of cash and other current resources into construction in progress and completed infrastructure and facility improvements.
- Capital activity was a major financial factor in fiscal 2025. Construction in progress increased from $25.3 million to $42.4 million, reflecting substantial investments in both the Snider Plaza and Miracle Mile retail areas, as well as continued investment in streets, sidewalks, utilities, and other public infrastructure projects.
- General Fund revenues exceeded budget, supported by continued strength in the tax base and other major revenue sources. The certified taxable value increased 9.5% in calendar 2024, which supported growth in fiscal 2025 property tax revenue even though the tax rate declined from $0.236226 to $0.229964 per $100 of taxable value. In addition, actual General Fund revenues exceeded the final budget by $3.4 million, due in part to robust sales tax collections and higher than budgeted building permit fees and investment income.
- Combined governmental fund balance decreased by $11.5 million, from $45.7 million in fiscal 2024 to $34.2 million in fiscal 2025 primarily due to capital expenditures and other planned uses of

resources. Despite this decline, unassigned General Fund balance remained well above the City's minimum fund balance policy, indicating that core operating liquidity remained strong.

- Pension-related liabilities affected the City's government-wide financial position in fiscal 2025. The Texas Municipal Retirement System (TMRS) net pension liability increased significantly due primarily to the 2024 ad hoc benefits election, while the FRRF net pension liability improved modestly, although the plan remains significantly underfunded on a GASB reporting basis.
- As of September 30, 2025, the City had no direct tax-supported general obligation debt, and $11,930,000 of outstanding revenue-backed Certificates of Obligation issued for the construction of a stormwater detention system in the northeast quadrant of the City.

Overview of the Financial Statements

The discussion and analysis provided here are intended to serve as an introduction to the City of University Park's basic financial statements. The City's basic financial statements consist of four components: 1) government-wide financial statements, 2) fund financial statements, 3) notes to the financial statements, and 4) required supplementary information. This report also contains other supplementary information intended to furnish additional detail to support the basic financial statements.

Government-wide Financial Statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the City of University Park's finances, in a manner similar to a private-sector business.

The Statement of Net Position presents information on all of the City's assets, liabilities, deferred inflows of resources, and deferred outflows of resources with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The Statement of Activities presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows.* Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused compensated absences).

Both of the government-wide financial statements distinguish functions of the City of University Park that are principally supported by taxes and intergovernmental revenues *(governmental activities)* from other functions that are intended to recover all or most of their costs through user fees and charges *(business-type activities).* The governmental activities of the City include general government administration, public works, public safety, parks, and streets. The business-type activities of the City include water distribution, wastewater removal, solid waste collection, Stormwater, and Aquatic activities.

The government-wide financial statements include not only the City of University Park itself (known as the *primary government),* but also a legally separate higher education authority for which the City is financially accountable. Financial information for this *component unit* is reported separately from the financial information presented for the primary government. Although also legally separate, the University Park

Civic Foundation functions for all practical purposes as a department of the City, and therefore has been included as an integral part of the primary government.

The government-wide financial statements can be found immediately following the MD&A in this report.

Fund financial statements. A *fund* is a self-balancing grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds.

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources,* as well as on *balances of spendable resources* available at the end of the fiscal year. Non-financial assets such as governmental buildings, roads, drainage ways, park land and long-term liabilities that will not be paid with current assets are excluded. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City of University Park maintains eleven individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund and the Capital Projects Fund, which are considered major funds. Data from the other nine governmental funds are combined in a single aggregated presentation. Individual fund data for each of the non-major governmental funds (University Park Civic Foundation, Court Security, Court Technology, Combined Court Security and Technology, Police Training and Education, Police Forfeiture, Fire Training and Education, Library, and Parks Projects and Programs) is provided in the form of combining statements.

The City of University Park adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found in this report following the government-wide financial statements.

Proprietary funds. The City maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type* activities in the government-wide financial statements. The City uses enterprise funds to account for its water and sewer, sanitation, stormwater and

aquatics operations. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City of University Park uses internal service funds to account for its fleet of vehicles, technology services, and self-insurance program. Because these services benefit both governmental and business-type functions, they have been included in both the *governmental activities* and *business-type activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for water and sewer, sanitation, stormwater, and aquatics operations. All internal service funds are combined into a single aggregated presentation in the proprietary fund financial statements. Individual fund data for internal service funds is provided in the form of combining statements elsewhere in the Annual Comprehensive Financial Report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic proprietary fund financial statements can be found in this report following the basic governmental fund financial statements.

Notes to the Financial Statements. The notes provide additional information that is necessary to acquire a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found following the Statement of Cash Flows – Proprietary Funds.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain *Required Supplementary Information ("RSI")* concerning the City's progress in funding its obligation to provide pension and other postemployment benefits to its employees as well as certain budgetary information. RSI can be found following the notes section.

The combining statements referred to earlier in connection with non-major governmental funds and internal service funds are presented immediately following the Required Supplementary Information.

Government-wide Overall Financial Analysis

As noted earlier, total net position and its component categories may serve over time as useful indicators of a government's financial condition. As of September 30, 2025, the City's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by $223,277,085, an increase in net position of $6,261,341 (2.9%) from the prior year. Although the City's overall financial position improved during fiscal 2025, the composition of net position changed materially as available resources were deployed into capital assets.

The largest portion of the City's total net position, $187,982,839 (84.2%) represents its net investment in capital assets. The City uses these capital assets to provide a variety of services to its citizens; consequently, these assets are not available for future spending, and with the exception of "business-type"

assets, do not generate direct revenue for the City. They do represent an obligation on the part of the City to maintain these assets in good repair for the foreseeable future.

The City has $599,823 (0.3%) of restricted net position, resulting from the fund balances of the Special Revenue Funds, which are non-major governmental funds combined under the heading "Other Governmental Funds". Due to revenue restrictions, fund balance within the Special Revenue Funds may only be spent for the particular purpose for which the fund was created.

The remaining balance of $34,694,423 (15.5%) is unrestricted and may be used to meet the government's ongoing obligations to citizens and creditors. Unrestricted net position declined materially from the prior year, reflecting the conversion of liquid resources into capital form.

As of September 30, 2025, the City has no direct tax-supported general obligation debt outstanding. The City (through the Stormwater Fund) issued $14.1 million of revenue-backed Certificates of Obligation in fiscal 2022, of which $11,930,000 are outstanding at September 30, 2025. All other capital projects and acquisitions are funded on a pay-as-you-go basis.

CITY OF UNIVERSITY PARK - Net Position

	Governmental activities		Business-type activities		Total	
	2025	2024	2025	2024	2025	2024
Current and other assets	$ 48,588,099	$ 60,225,298	$ 22,771,607	$ 27,789,430	$ 71,359,706	$ 88,014,728
Capital, lease, and subscription assets, net	116,546,144	90,551,501	88,853,839	79,826,821	205,399,983	170,378,322
Total Assets	165,134,243	150,776,799	111,625,446	107,616,251	276,759,689	258,393,050
Deferred outflows of resources	4,706,229	7,523,187	659,038	1,043,286	5,365,267	8,566,473
Current liabilities	8,497,815	6,299,787	3,724,306	4,376,840	12,222,121	10,676,627
Long-term liabilities	26,900,505	21,994,584	14,337,245	13,585,758	41,237,750	35,580,342
Total Liabilities	35,398,320	28,294,371	18,061,551	17,962,598	53,459,871	46,256,969
Deferred inflows of resources	4,792,545	3,462,748	595,455	224,062	5,388,000	3,686,810
Net Position:						
Net investment in capital assets	112,205,585	87,939,246	75,777,254	65,485,215	187,982,839	153,424,461
Restricted	599,823	480,412	-	-	599,823	480,412
Unrestricted	16,844,199	38,123,209	17,850,224	24,987,662	34,694,423	63,110,871
Total Net Position	$ 129,649,607	$ 126,542,867	$ 93,627,478	$ 90,472,877	$ 223,277,085	$ 217,015,744

Current and other assets within Governmental activities decreased by $11.6 million, primarily because cash and other current resources were converted into construction in progress and completed capital assets as project activity accelerated during the year.

Business-type current and other assets decreased by $5.0 million for similar reasons, as resources were

advanced into the next phase of the Mile-per-Year program due to favorable pricing and work efficiencies as well as other utility-related capital work, thereby converting current assets into construction in progress.

Governmental and business-type capital asset activity remained elevated in FY2025, as the City continued to advance infrastructure, facility and utility projects.

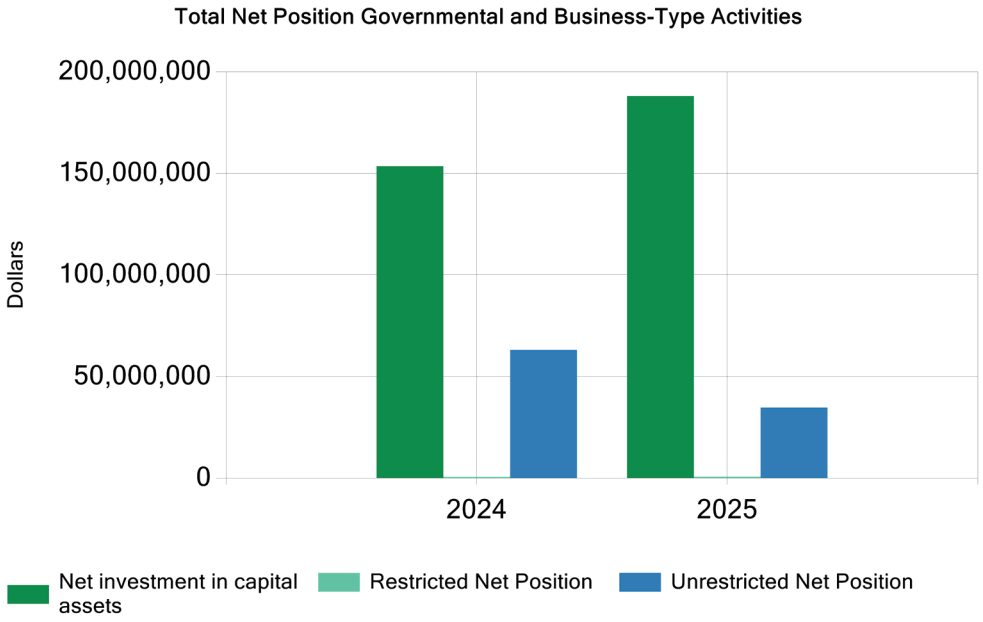
Significant governmental capital asset activity in fiscal 2025 included $12.1 million of drivelane, parking, curb and hardscape work performed in Snider Plaza, as well as $5.0 million of substantially the same type of work in the Miracle Mile (Lovers Lane commercial area). Additionally, $3.2 million was spent for asphalt overlay; $2.0 million for curb, ramp and sidewalk work throughout the City; and $1.5 million for improvements to the Fondren Public Safety Facility, which was purchased last year. In total, $29.1 million was expended in FY2025, with just over $9.1 million of projects being completed and capitalized during the year.

Business-type activity focused primarily on Mile Per Year utility projects. While the FY2024 MPY was finished with the addition of $2.1 million in spending, a majority of the FY2025 MPY project was also completed after $5.4 million of expenditure. Another significant business-type capital project was $2.7 million of utility work in Snider Plaza, completed in concert with the projects noted above. In all, $11.9 million was expended during FY2025, while $14.8 million of projects were completed and capitalized.

Governmental current liabilities increased $2.2 million at year end, primarily due to higher accounts payable associated with the timing of project-related expenditures and other year-end obligations within governmental activities. Conversely, business-type current liabilities declined $0.7 million due to a decrease in accounts payable at year-end, as projects were completed and closed out and attention shifted to governmental projects.

Governmental long-term liabilities increased $4.9 million in FY2025 due largely to the increase in the TMRS net pension liability associated with the 2024 ad hoc benefits election, partially offset by modest improvement in the FRRF net pension liability and normal changes in other long-term obligations. Business-type long-term liabilities were affected by scheduled debt repayment within the Stormwater Fund and the allocation of TMRS-related liabilities to Water, Sewer and Sanitation activities.

As of September 30, 2025, the City reported positive balances in all three categories of net position for the government as a whole and for both governmental and business-type activities. Overall, the City remained financially sound, although fiscal 2025 was characterized by a meaningful shift from liquid resources to capital assets.



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CITY OF UNIVERSITY PARK - Changes in Net Position

	Governmental activities		Business-type activities		Total	
	2025	2024	2025	2024	2025	2024
Revenues:						
Program Revenues:						
Charges for services	$ 5,882,819	$ 4,581,611	$ 28,516,556	$ 26,552,081	$ 34,399,375	$ 31,133,692
Capital grants and Contributions	10,095,584	-	-	-	10,095,584	-
General revenues:						
Property tax	26,797,204	24,925,555	-	-	26,797,204	24,925,555
Sales tax	7,751,865	7,533,753	-	-	7,751,865	7,533,753
Franchise fees	1,830,705	1,803,104	-	-	1,830,705	1,803,104
Interest	2,636,964	4,052,809	385,019	1,087,678	3,021,983	5,140,487
Other	654,129	245,757	10,253	23,407	664,382	269,164
Grants and contributions not restricted to a specific purpose	278,821	419,789	-	2,451,514	278,821	2,871,303
Gain on sale of capital assets	219,699	138,091	-	-	219,699	138,091
Total Revenues	56,147,790	43,700,469	28,911,828	30,114,680	85,059,618	73,815,149
Expenses:						
General Government	8,879,392	7,454,803	-	-	8,879,392	7,454,803
Public Safety	26,272,126	20,276,435	-	-	26,272,126	20,276,435
Streets	3,259,357	2,586,065	-	-	3,259,357	2,586,065
Parks	5,753,049	5,433,267	-	-	5,753,049	5,433,267
Public Works	6,253,875	3,873,122	-	-	6,253,875	3,873,122
Interest Expense	49,159	48,614	5,403	-	54,562	48,614
Water and Sewer	-	-	21,818,889	19,129,963	21,818,889	19,129,963
Sanitation	-	-	5,122,564	3,768,354	5,122,564	3,768,354
Stormwater	-	-	606,698	625,428	606,698	625,428
Aquatics	-	-	777,765	-	777,765	-
Total Expenses	50,466,958	39,672,306	28,331,319	23,523,745	78,798,277	63,196,051
Increase in net position before transfers	5,680,832	4,028,163	580,509	6,590,935	6,261,341	10,619,098
Transfers	(2,574,092)	(546,756)	2,574,092	546,756	-	-
Increase in net position	3,106,740	3,481,407	3,154,601	7,137,691	6,261,341	10,619,098
Net Position - October 1	126,542,867	123,061,460	90,472,877	83,335,186	217,015,744	206,396,646
Net Position - September 30	$ 129,649,607	$ 126,542,867	$ 93,627,478	$ 90,472,877	$ 223,277,085	$ 217,015,744

Governmental Activities

Governmental activities net position increased by $3,106,740 from FY2024. Governmental activities revenue increased by $12,447,321 or 28.5%, from the prior year, but that growth was more than offset by a $10,794,652, or 27.2%, increase in governmental activities expenses. As a result, the City's governmental activities were affected more by expenditure growth than by revenue growth in FY2025. Major governmental revenue changes in FY2025 included the following:

- Property tax revenue increased $1,871,649, or 7.5%, reflecting continued growth in the tax base. Total certified taxable property value rose 9.5% year-over-year, while the tax rate declined from $0.236226 to $0.229964 per $100 of taxable value.
- Sales tax revenue increased $218,112, or 2.9% from FY2024 indicating continued consumer resilience in taxable sales.
- Interest revenue decreased $1,415,845, or 34.9% from the unusually strong FY2024 level, reflecting less favorable year-end market valuation effects on the City's investment portfolio, as well as a decrease in investable liquid assets. Because the

City follows a "buy-and-hold" investment strategy, these unrealized valuation changes affect reported earnings from year to year, but do not necessarily alter expected long-term yields if securities are held to maturity.

- Charges for services increased $1,301,208, or 28.4% from the prior year due almost entirely to an increase in building permit revenue. While nearly half of the revenue increase was related to the construction of the new Trevor-Rees Jones Library of the American West at Southern Methodist University and ongoing renovations to the SMU Cox School of Business, other significant permits were issued to the Highland Park Independent School District addressing updates to Armstrong Elementary as well as various repairs and enhancements.
- Capital grants and contributions totaled $10,095,584 in FY2025, and were a major factor in the year-over-year increase in governmental revenues. Amounts received were as follows: $7,988,443 from Dallas Area Rapid Transit for both Transit Related Improvements Projects ("TRIP" program) and Public Transit Improvements ("PTI" program); $1,458,208 from SMU for a Hillcrest Avenue intersection alignment and inlay; and $648,933 from the Texas Commission on State Emergency Communications for upgraded emergency dispatch equipment.

Expenses related to governmental activities increased $10,794,652, or 27.2% from the prior year. The largest functional increases occurred in Public Safety and Public Works, with additional increases in General Government, Streets, and Parks. A significant portion of the increase was attributable to pension-related expense recognition, particularly TMRS, together with growth in salaries and benefits, FRRF pension expense, and the long-term portion of compensated absences. Comparability within the Parks department is also affected by the FY2025 transfer of Aquatics from governmental activities to a stand-alone business-type enterprise fund.

Overall, FY2025 governmental activities reflected strong underlying revenue performance, especially from property taxes, development-related charges for services, and capital grants and contributions. However, those gains were partially offset by materially higher service and pension-related costs, as well as transfers out, resulting in a more modest final increase in governmental net position.

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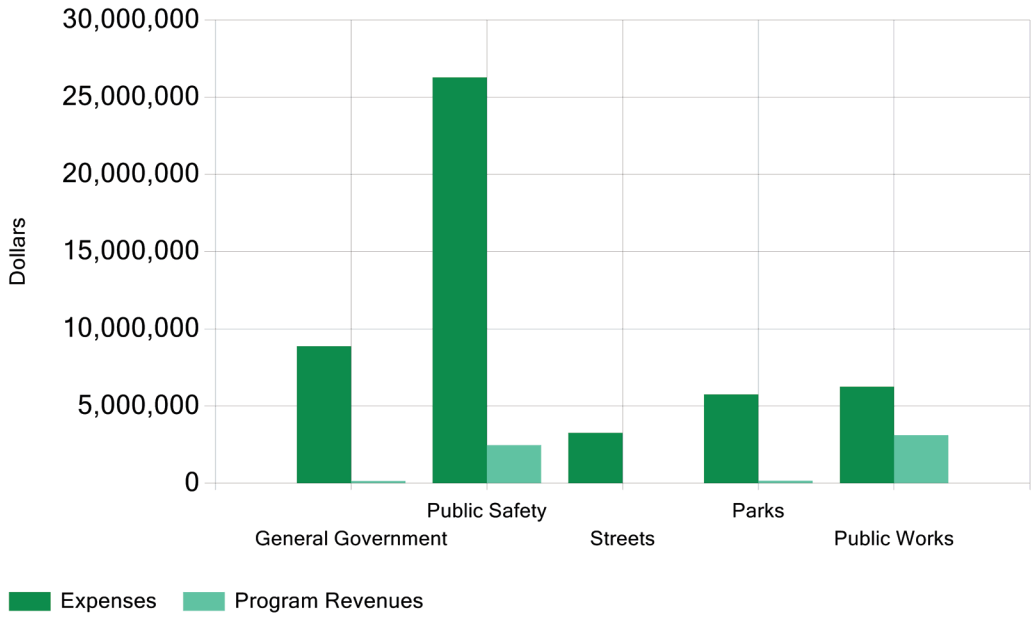
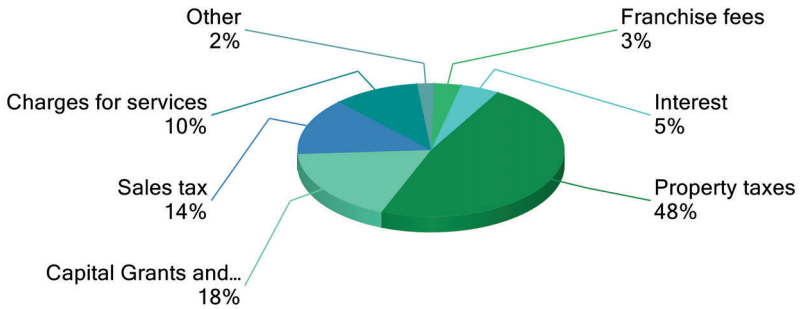
PROGRAM REVENUES AND EXPENSES - GOVERNMENTAL ACTIVITIES



REVENUES BY SOURCE – GOVERNMENTAL ACTIVITIES

FY2025 - $56,147,790



Business-type Activities:

Business-type activities increased net position by $3,154,601, or 3.5% from FY2024. However, business-type activities generated only $580,509 before transfers; the final increase in net position was supported materially by $2,574,092 of transfers in.

- Revenues related to business-type activities decreased by $1,202,852 or 4.0% in FY2025. Although charges for services increased from the prior year, total revenues declined because business-type interest earnings fell materially and because grants and contributions not restricted to a specific purpose, which totaled $2,451,514 in FY2024, did not recur in FY2025. Charges for service increased across all activities primarily due to a 5% increase in potable water rates, a 10% increase in sewerage rates, favorable results from a dumpster pricing audit and an acceleration in stormwater rate increases tied to anticipated capital project needs. In addition, FY2025 business-type reporting includes the newly established Aquatics Fund. Because Aquatics was separated from the (governmental) Parks department and reported as a stand-alone enterprise activity beginning in FY2025, year-over-year comparisons with FY2024 are not fully comparable.

- Expenses for business-type activities increased by $4,807,574, or 20.4% in FY2025. The most significant increase was due to the previously discussed TMRS pension expense for FY2025. Allocated by headcount among the various funds, it amounted to approximately $2.6 million of expense. Additional expenses were incurred due in large part to increased costs for potable water from the DC/PC MUD, increased costs for sewerage services provided by Dallas Water Utilities and the addition of $777,765 of expenditures related to the Aquatics fund.

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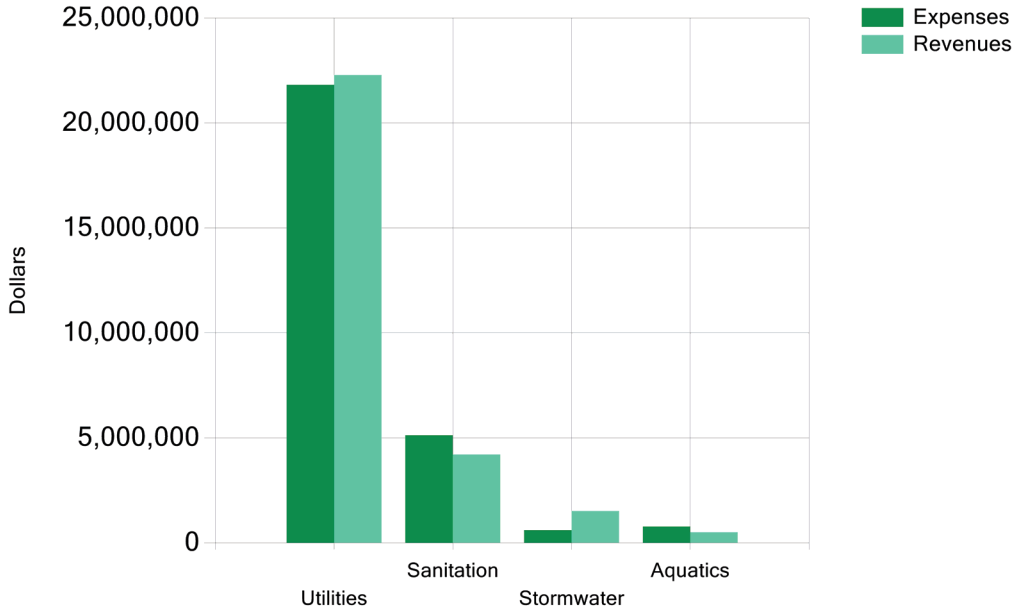
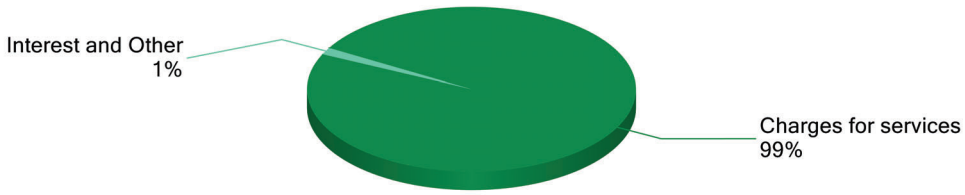
PROGRAM REVENUES AND EXPENSES – BUSINESS-TYPE ACTIVITIES



REVENUES BY SOURCE – BUSINESS-TYPE ACTIVITIES

FY2025 - $28,911,828



Financial Analysis of Governmental Funds

As noted earlier, the City of University Park uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The focus of the City's *governmental funds* is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. The City's financial statements are presented in conformity with GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions." This statement changed the presentation of the fund balance section of governmental funds. Instead of classifying amounts as reserved, unreserved, designated or undesignated, the fund balance section uses the following categories:

- *Nonspendable fund balance*—amounts that are not in a spendable form (such as inventory) or are required to be maintained intact (such as the corpus of an endowment fund).
- *Restricted fund balance*—amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.
- *Committed fund balance*—amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest-level action to remove or change the constraint.
- *Assigned fund balance*—an amount a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority.
- *Unassigned fund balance*—amounts that are available for any purpose; these amounts are reported only in the general fund.

In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for discretionary use as it represents the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party, the City itself, or a group or individual that has been delegated authority to assign resources for use for particular purposes by the City Council.

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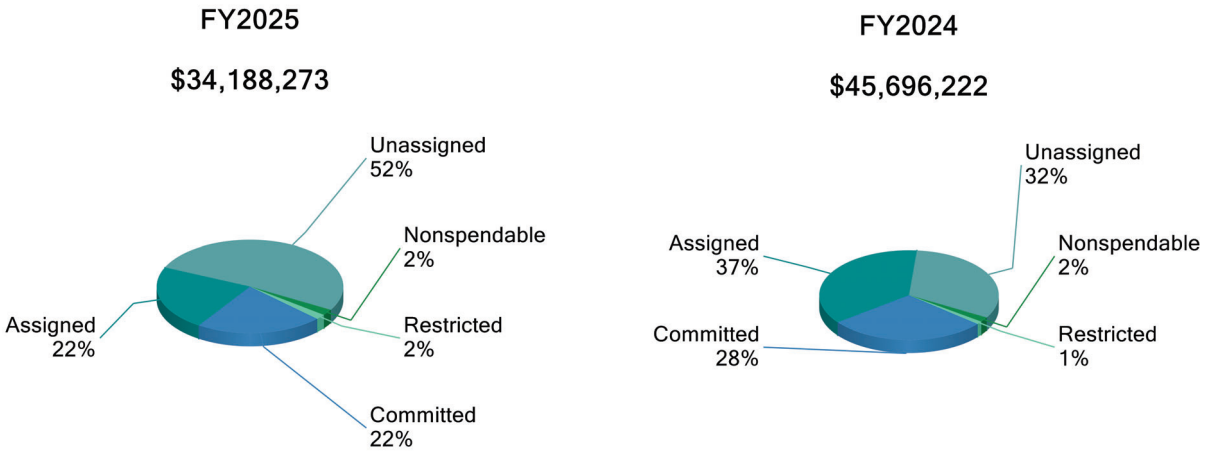
Fund Balances by Type

Governmental Funds



As of the end of FY2025, the City's governmental funds reported combined ending fund balances of $34,188,273, a decrease of $11,507,949, or 25.2% from the prior year. The decrease was primarily attributable to the timing and scale of capital project spending, especially within the Capital Projects Fund, where expenditures materially exceeded current-year revenues. This use of fund balance reflects the conversion of previously accumulated financial resources into capital improvements and other planned project costs, rather than a weakening of ongoing General Fund operations. The General Fund remained structurally sound, with revenues exceeding expenditures before transfers, and ended the year with unassigned fund balance of $17,636,604, well in excess of the City's formal minimum fund balance policy.

Of the total fund balance reported, $722,496 is nonspendable, as it represents primarily fuel and supplies inventories and $599,823 is restricted, as it may only be spent for the specific purposes set forth in the respective Special Revenue Fund.

$7,540,783 reported as "Committed" is governed by resolutions the City Council approved in 2009. Committed funds cannot be expended without further action by the City Council.

$7,688,567 of "Assigned" funds represents year-end encumbrances (open purchase orders) among the several governmental functions/activities, as well as money intended for capital projects.

Proprietary Funds. The City's proprietary fund statements provide more detailed information on the same business-type activities presented in the government-wide financial statements. At September 30, 2025, the City's enterprise funds reported positive net position in each major fund, including Water and Sewer, Sanitation, Stormwater, and the newly established Aquatics Fund. Water and Sewer remained the City's largest enterprise activity and continued to generate positive operating results before transfers, while

Stormwater also reported positive results prior to transfers. Sanitation reported an operating loss for the year, reflecting cost growth that outpaced revenue increases. In addition, FY2025 includes Aquatics as a stand-alone enterprise fund for the first time; accordingly, comparisons with FY2024 are affected by the reclassification of aquatics operations from governmental Parks to business-type activities. Overall proprietary-fund results were also influenced by substantial capital investment activity, particularly the Mile-Per-Year utility program and related Snider Plaza utility improvements, as well as by transfers that supported utility and aquatics operations.

General Fund Budgetary Highlights

Original budget compared to final budget. Other than the routine budget amendments that are made as part of the year-end encumbrance process (discussed below), the General Fund budget was amended five times during the year. Each amendment was transfer-related and did not materially alter the underlying operating budget for General Fund revenues or expenditures. Accordingly, the amendments reflected planned interfund resource allocations made to support broader City needs, rather than corrective actions necessitated by weakening operating performance. The purpose of the amendments is as follows:

- Ordinance 24–236 transferred $125,000 from the General Fund to the Technology Services Fund to address a shortfall in initial operating funding.
- Ordinance 24–237 transferred $1,000,000 from the General Fund to the newly formed Aquatics Fund to provide operational funding.
- Ordinance 25–068 transferred $1,000,000 each from both the General Fund and Water and Sewer Fund to the Water and Sewer Capital Projects Fund to fully finance the Mile-Per-Year program through the end of FY2025.
- Ordinance 25–236 transferred $2,500,000 from the Water and Sewer Fund to the Stormwater Fund. This transfer was made to more fully recognize the revenues retained within the Water and Sewer Fund when Stormwater was a department within that fund.
- Ordinance 25–243 directed transfers from the SMU Land Sale Reserve to two specific capital projects. The first transfer of $4,500,000 was made to finance the purchase and renovation of the Fondren Public Safety Facility. The second transfer in that ordinance specified a $1,000,000 transfer to cover the construction cost of a 53-space parking lot on property the City owns on Rankin Street.

There were no other amendments to either increase or decrease budgeted appropriations. Routinely, numerous budget "re-allocations" occur during the year within various departments. Department Directors have the authority to re-allocate budgeted funds within their departments to accommodate minor variations, but may not increase their overall budget without Council approval.

The City does not generally amend the budget for an increase in revenues. As a matter of longstanding practice, the first routine amendment of the fiscal year brings forward open encumbrances (purchase orders) from the previous fiscal year. By adding the amount of the encumbered items to the current year adopted budget, purchases from the prior year may be completed without exceeding the current approved budget. Consequently, purchase orders open at the end of the current year are routinely "carried over" to the next fiscal year. The total carried forward in the General Fund from fiscal 2024 was $311,386 while the total that will be deducted and carried forward to fiscal 2026 is $132,397.

Final budget compared to actual results. Actual General Fund revenues exceeded the final budget by $3,426,872 or 8.2%, while total expenditures remained below the final amended budget. Overall, FY2025 budgetary performance reflected stronger-than-expected economically sensitive revenues. Favorable variances were driven by robust sales tax collections, investment income, and building permit revenue. On the expenditure side, total General Fund spending finished below budget despite several departmental overages as those amounts were more than offset by savings in other functions. See further detail, below:

- Property taxes collected during the current year were $288,326, or 1.1%, below budget. This collection percentage is consistent with prior years.
- Sales taxes collected were $1,201,865 (18.3%) above budget for FY2025, due to continued strength in consumer purchasing as well as a very conservative budgeting process. Management's budgeting approach has generally incorporated sales tax growth incrementally rather than assuming unusually strong prior-year performance will continue in full.
- Permit and license revenue ended the year at $3,238,332, or $1,337,332 (70.3%) above budget, due in large part to the construction of academic and other facilities at both SMU and HPISD. Residential construction permit activity also continued to trend higher likely due to moderating interest rates and pent-up renovation demand.
- Investment income ended the year at $2,321,861, versus a budgeted amount of $1,400,000. Investment income exceeded budget by $921,861, reflecting stronger than expected cash yields and favorable year-end valuation effects within the City's investment portfolio. Because the City follows a buy-and-hold investment strategy, unrealized market adjustments can affect reported earnings from year to year, but do not necessarily change expected long-term returns if securities are held to maturity.

Although aggregate General Fund expenditures were below the final budget, several departments exceeded their individual appropriations during FY2025:

- Executive - $8,376, or 0.5%
- Finance - $53,931, or 3.9%
- Library - $34,927, or 3.1%
- Court - $2,497 , or 0.5%
- Public Works Administration - $26,118, or 6.3%
- Facility Maintenance - $9,138, or 2.0%

These departmental overages were more than offset by savings in other departments. In particular, favorable results in Police offset unfavorable results elsewhere within the Public Safety function and total General Fund expenditures finished $1,650,129 below the final amended budget. Management monitors spending throughout the year and generally seeks formal budget amendments only when aggregate expenditures are expected to exceed the amended budget by a material amount. However, when these amendments are made, they are generally made for the amount of the specific items causing the over-budget condition. Because total expenditures remained below budget, no expenditure-related amendments were considered necessary. Overall, fiscal 2025 budgetary performance reflected continued operational stability and did not require additional year-end corrective action.

Pensions and Retiree Health Care

Pension and retiree health care obligations remained an important factor in the City's government-wide financial position in FY2025. Because GASB reporting measures these obligations using actuarial assumptions and market-based inputs at a specified measurement date, the related liabilities and expenses can change materially from year to year even when funding policies remain stable.

In FY2015, the Governmental Accounting Standards Board (GASB) released Statement No. 68, "Accounting and Financial Reporting for Pensions" which created specific reporting requirements for pensions that are different than those used for funding purposes. Both valuations are important, as the reporting valuation provides a rigorous standard measure that can be used to compare the City's pension liabilities to other governments from around the nation. The funding valuation is important as the actuarial methods used (including strategies for paying any unfunded actuarial accrued liabilities) combined with the City's history of making those contributions provides insights regarding the City's commitment to its employees and their future. Information contained in the financial statements and also included in the Schedule of Required Supplementary Information (RSI), Schedule of Changes in Net Pension Liability and Related Ratios, is based on the reporting valuation. The second schedule in the RSI, the Schedule of Contributions, is based on the funding valuation.

The discussion below focuses on the GASB reporting basis used in the government-wide statements and related RSI schedules. As that basis differs from the funding basis used to establish contribution requirements, readers should consider both when evaluating long-term sustainability.

TMRS - On a GASB reporting basis, the City reported a TMRS net pension liability of $9,680,957 at September 30, 2025, compared with $2,464,744 at September 30, 2024. The increase was driven primarily by the 2024 ad hoc benefits election and resulted in substantially higher pension expense in FY2025. Although TMRS remains well funded relative to many public pension plans, the related net pension liability and pension expense can be volatile from year to year because they are affected by changes in actuarial assumptions, benefit changes, and investment performance at the measurement date.

FRRF - The Firemen's Relief and Retirement Fund reported a net pension liability of $16,138,715, at September 30, 2025, compared to $16,491,653 in FY2024. While this represents a modest year-over-year improvement; the plan continues to report a significant net pension liability on a GASB basis. As this retirement plan was closed to new entrants in November of 2017, the amount of net pension liability as a percentage of covered payroll may become a somewhat irrelevant metric as current employees retire, eventually taking covered payroll to zero.

OTHER POSTEMPLOYMENT BENEFITS (OPEB) - The City's total OPEB Liability as of September 30, 2025 is $1,102,487, a decrease of $425,698 or 27.9% from the prior year balance of $1,528,185. The decrease was due primarily to the increase in the assumed discount rate from 3.77% to 4.08% and updates to healthcare trend assumptions and census data. The City currently finances retiree health care on a pay-as-you-go basis, and the liability remains relatively small compared with the City's pension obligations. This funding policy may be reviewed as the situation warrants.

Capital assets. At September 30, 2025, the City reported $205,399,983 in net capital, lease, and subscription assets, compared to $170,378,322 in FY2024. The increase reflects substantial conversion of current financial resources into construction in progress and completed capital assets, particularly within governmental infrastructure and utility-related projects. Net capital assets include land, buildings, improvements, machinery and equipment, infrastructure, construction in progress, lease assets and subscription assets, as illustrated in the following table:

CITY OF UNIVERSITY PARK - Capital Assets
(net of depreciation and amortization)

	Governmental activities		Business-type activities		Totals	
	2025	2024	2025	2024	2025	2024
Land	$ 12,941,714	$ 12,941,714	$ 108,758	$ 108,758	$ 13,050,472	$ 13,050,472
Construction in progress	28,839,057	8,867,365	13,535,677	16,437,041	42,374,734	25,304,406
Buildings	10,856,230	11,508,076	-	-	10,856,230	11,508,076
Improvements	31,299,326	31,143,258	65,044,870	55,207,256	96,344,196	86,350,514
Equipment	18,177,207	15,339,257	2,718,156	2,776,471	20,895,363	18,115,728
Lease asset	23,653	315,441	143,189	-	166,842	315,441
Subscription asset	912,941	1,131,940	-	-	912,941	1,131,940
Infrastructure	13,496,016	9,304,450	7,303,189	5,297,295	20,799,205	14,601,745
Total Capital Assets, Net	$ 116,546,144	$ 90,551,501	$ 88,853,839	$ 79,826,821	$ 205,399,983	$ 170,378,322

Capital assets related to governmental activities increased by $25,994,643 in FY2025, as construction in progress rose from $8.9 million to $28.8 million. Major capital project activity included approximately $12.1 million of Snider Plaza hardscape and related improvements, $5.0 million of similar work in the Miracle Mile area, $3.2 million of asphalt overlay, $2.0 million of curb, ramp and sidewalk improvements, and $1.5 million of improvements to the Fondren Public Safety Facility. In total, approximately $29.1 million was expended on governmental projects during FY2025, while just over $9.1 million of projects were completed and placed into service.

Business-type capital assets increased $9,027,018 during fiscal 2025, to $88.9 million, from $79.8 million in FY2024. Business-type capital project activity focused primarily on Mile-per-Year utility work and utility improvements within Snider Plaza. While the FY2024 Mile-Per-Year phase was completed with approximately $2.1 million of additional spending, a majority of the FY2025 phase was also completed after approximately $5.4 million of expenditure. In total, about $11.9 million of business-type capital project expenditures occurred during the year, while approximately $14.8 million of projects were completed and capitalized. As the Pool Master Plan Phase 2 project was substantially completed while the Aquatics Center was still a department within the General Fund, the project was capitalized along with governmental activities.

Additional detailed information regarding the City's capital assets (including information related to capital project spending, additions and retirements) can be found in Note III. E., in the Notes to Financial Statements section of this report.

Long-term Debt. As of September 30, 2025, the City of University Park had no direct tax-supported general obligation debt. The City's only outstanding bonded debt consists of $11,930,000 of combination

tax and revenue certificates of obligation issued in 2021 to support major stormwater improvements. Although the certificates carry the City's combination tax-and-revenue pledge, management's intent is that debt service be paid primarily from stormwater revenues generated through scheduled fee increases. At the time of issuance, the certificates were rated "AAA" by S&P and "Aaa" by Moody's, without regard to credit enhancement. The City's debt position therefore remained limited at year-end; however, additional stormwater improvements identified in the current long-range planning process may require future financing decisions.

Economic Factors and Next Year's Budgets and Rates

In developing the FY2026 budget, the City considered both local valuation trends and broader economic conditions affecting revenues, operating costs, and long-term financial sustainability. The City's certified taxable value continued to increase in 2025, allowing the proposed FY2026 property tax rate to decline from $0.229964 to $0.218565 per $100 of taxable value. Even with that rate reduction, the average single-family homeowner with a homestead exemption is expected to pay approximately $25 more per month in City property taxes due to continued growth in appraised values. The City also remains a relatively small share of the total tax bill, representing about 14 percent of the combined levy of all taxing entities based on 2024 rates.

The FY2026 budget was prepared in recognition of a more constrained long-term revenue environment. Under Texas law, the City's ability to increase property tax revenue without voter approval is limited to approximately 3.5 percent annually, which management estimates equates to roughly $1.0 million of additional annual property tax revenue, depending on collections. Because property tax is the City's largest General Fund revenue source, this limitation has become a central factor in long-range financial planning. The City's five-year financial model assumes property tax growth at the statutory cap, sales tax growth of 3.0 percent annually, and declining investment income from the unusually strong levels experienced in recent years. On that basis, revenues and transfers in are projected to rise from $42.4 million in 2025 to $49.4 million in 2030, but expenditure pressures are expected to remain significant.

Broader economic conditions support a measured budget posture. Inflation in the Dallas-Fort Worth area moderated sharply by early 2026, with the local CPI-U down 0.3 percent over the prior 12 months as of January 2026, while Texas job growth slowed materially in 2025 and is forecast to recover only modestly in 2026. At the same time, the Federal Open Market Committee's target range for the federal funds rate remained at 3.50 percent to 3.75 percent as of December 2025 and January 2026, indicating that borrowing costs and investment yields remain above pre-pandemic norms. Taken together, these trends suggest some easing in inflationary pressure, but not a full return to a low-cost operating environment. Consistent with those conditions, the FY2026 budget includes targeted increases in several major expenditure categories. Total proposed expenditures across all operating funds are budgeted at approximately $72.4 million, or 3.5 percent above the FY2025 adopted budget. Personnel costs are budgeted to increase by 4.2 percent, treatment charges by 6.7 percent, and pay-as-you-go capital funding by 10.8 percent. The budget also includes wage and salary adjustments, additional funding for health insurance and other benefits, increased pension funding, and additional transfers to support the City's mile-per-year infrastructure program. These changes reflect continued pressure from compensation, retirement, utility treatment, and infrastructure costs.

The FY2026 budget also includes rate and fee adjustments outside the ad valorem tax rate. Water and sewer rates are proposed to increase by 4 percent each, reflecting higher wholesale and treatment costs, including a 5.1 percent increase in potable water rates charged by the Dallas County Park Cities Municipal Utility District. Sanitation rates are budgeted to increase by approximately 9 percent. In addition, the FY2026 budget includes the final round of the previously planned stormwater fee increases to support existing debt service and proposes a further 50 percent increase in stormwater fees to help fund future drainage improvements. If approved, that additional adjustment would increase the average customer's stormwater charge by approximately $10.50 per month.

Looking beyond FY2026, the City's long-term planning model indicates that structural budget pressure is likely to continue. The budget message states that the additional property tax revenue produced by a 3.5 percent increase is nearly offset by routine salary and benefit adjustments alone, leaving limited capacity to absorb construction-cost inflation, add staffing, address water and sewer capital maintenance, or make compensation adjustments needed to remain competitive. Management therefore expects continued policy discussion regarding expenditure priorities, revenue diversification, and the timing of future capital commitments. The budget message further notes that, if the community wishes to support higher public safety staffing, adequately fund water and sewer capital maintenance, and address below-market pay and benefits, the City may need to consider seeking voter approval in FY2027 for a tax rate above the statutory cap.

Overall, the FY2026 budget reflects continued near-term financial stability, supported by growth in taxable value and prudent fund planning, but it also reflects a more constrained outlook than in prior years. The City remains well-positioned operationally; however, slower non-property revenue growth, statutory limits on tax revenue, ongoing personnel and pension cost pressures, and significant infrastructure needs will require continued financial discipline and, potentially, future policy choices regarding service levels, rates, and long-term funding strategies.

Requests for Information

This financial report is designed to provide a general overview of the City of University Park's finances for all those with an interest in the government's finances. Readers having questions about any of the information in this report or needing additional information should contact Thomas Tvardzik, Finance Director, City of University Park, 3800 University Blvd., University Park, TX 75205, call 214-987-5326, or email ttvardzik@uptexas.org.

BASIC FINANCIAL STATEMENTS

CITY OF UNIVERSITY PARK, TEXAS
Statement of Net Position
September 30, 2025

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Southwest Higher Education Authority
ASSETS				
Cash and cash equivalents	$ 23,796,778	$ 1,657,721	$ 25,454,499	$ -
Investments	26,026,019	2,976,037	29,002,056	-
Receivables (net of allowance)	10,652,296	4,426,041	15,078,337	-
Due from primary government	-	-	-	75,000
Prepaids	-	68,715	68,715	-
Internal balances	(13,209,313)	13,209,313	-	-
Inventory	722,496	-	722,496	-
Restricted cash	599,823	433,780	1,033,603	-
Capital, lease, and subscription assets:				
Nondepreciated assets				
Land	12,941,714	108,758	13,050,472	-
Construction in progress	28,839,057	13,535,677	42,374,734	-
Total nondepreciated assets	41,780,771	13,644,435	55,425,206	-
Depreciated/Amortized assets				
Buildings	19,811,623	54,594	19,866,217	-
Improvements other than buildings	61,624,463	123,656,402	185,280,865	-
Machinery and equipment	35,328,020	3,513,154	38,841,174	-
Infrastructure	21,812,278	7,710,355	29,522,633	-
Lease asset	59,133	296,253	355,386	-
Subscription asset	1,401,052	-	1,401,052	-
Accumulated depreciation/amortization	(65,271,196)	(60,021,354)	(125,292,550)	-
Total depreciated/amortized assets	74,765,373	75,209,404	149,974,777	-
Total assets	165,134,243	111,625,446	276,759,689	75,000
DEFERRED OUTFLOWS OF RESOURCES				
Difference in expected and actual pension/OPEB experience	600,705	154,554	755,259	-
Changes in pension/OPEB actuarial assumptions	590,361	37,561	627,922	-
Difference in projected and actual pension investment earnings	494,161	-	494,161	-
Pension/OPEB contributions after measurement date	3,021,002	466,923	3,487,925	-
Total deferred outflows of resources	4,706,229	659,038	5,365,267	-
LIABILITIES				
Accounts payable	4,962,400	1,658,362	6,620,762	-
Accrued liabilities	1,258,301	500,717	1,759,018	-
Customers deposits	118,506	433,780	552,286	-
Unearned revenue	84,855	48,715	133,570	-
Due to component unit	75,000	-	75,000	-
Due within one year				
Lease liabilities	12,171	60,091	72,262	-
Subscription liabilities	279,323	-	279,323	-
OPEB liability	67,909	19,908	87,817	-
Compensated absences	1,639,350	319,344	1,958,694	-
Certificates of obligations	-	683,389	683,389	-
Due in more than one year				
Lease liabilities	12,536	88,271	100,807	-
Subscription liabilities	549,640	-	549,640	-
Net pension liability - TMRS	7,847,384	1,833,573	9,680,957	-
Net pension liability - FRRF	16,138,715	-	16,138,715	-
OPEB liability	784,644	230,026	1,014,670	-
Compensated absences	1,567,586	408,165	1,975,751	-
Certificates of obligation	-	11,777,210	11,777,210	-
Total liabilities	35,398,320	18,061,551	53,459,871	-
DEFERRED INFLOWS OF RESOURCES				
Difference in expected and actual pension/OPEB experience	1,495,577	267,910	1,763,487	-
Changes in pension/OPEB actuarial assumptions	548,916	133,955	682,871	-
Difference in projected and actual pension investment earnings	828,529	193,590	1,022,119	-
Lease related	1,919,523	-	1,919,523	-
Total deferred inflows of resources	4,792,545	595,455	5,388,000	-
Net Position				
Net investment in capital assets	112,205,585	75,777,254	187,982,839	-
Restricted to:				
General government	215,623	-	215,623	-
Public safety	288,284	-	288,284	-
Parks	95,916	-	95,916	-
Unrestricted	16,844,199	17,850,224	34,694,423	75,000
Total net position	$ 129,649,607	$ 93,627,478	$ 223,277,085	$ 75,000

The notes to the financial statements are an integral part of this statement.

CITY OF UNIVERSITY PARK, TEXAS
Statement of Activities
For the Year Ended September 30, 2025

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Primary Government: Governmental Activities	Primary Government: Business-type Activities	Primary Government: Total	Component Unit: Southwest Higher Education Authority
Primary Government								
Governmental activities								
General Government	$ 8,879,392	$ 140,147	$ -	$ 10,095,584	$ 1,356,339	$ -	$ 1,356,339	$ -
Public Safety	26,272,126	2,468,062	-	-	(23,804,064)	-	(23,804,064)	-
Streets	3,259,357	-	-	-	(3,259,357)	-	(3,259,357)	-
Parks	5,753,049	161,074	-	-	(5,591,975)	-	(5,591,975)	-
Public Works	6,253,875	3,113,536	-	-	(3,140,339)	-	(3,140,339)	-
Interest Expense	49,159	-	-	-	(49,159)	-	(49,159)	-
Total governmental activities	50,466,958	5,882,819	-	10,095,584	(34,488,555)	-	(34,488,555)	-
Business-type activities								
Water and Sewer	21,818,889	22,285,402	-	-	-	466,513	466,513	-
Sanitation	5,122,564	4,211,693	-	-	-	(910,871)	(910,871)	-
Stormwater	606,698	1,516,269	-	-	-	909,571	909,571	-
Aquatics	777,765	503,192	-	-	-	(274,573)	(274,573)	-
Interest Expense	5,403	-	-	-	-	(5,403)	(5,403)	-
Total business-type activities	28,331,319	28,516,556	-	-	-	185,237	185,237	-
Total primary government	$ 78,798,277	$ 34,399,375	$ -	$ 10,095,584	$ (34,488,555)	$ 185,237	$ (34,303,318)	$ -
General revenues:								
Property tax					26,797,204	-	26,797,204	-
Sales tax					7,751,865	-	7,751,865	-
Franchise tax					1,830,705	-	1,830,705	-
Interest earnings, net					2,636,964	385,019	3,021,983	-
Other					654,129	10,253	664,382	-
Grants and contributions not restricted to a specific purpose					278,821	-	278,821	-
Gain on sale of capital assets					219,699	-	219,699	-
Transfers					(2,574,092)	2,574,092	-	-
Total general revenues and transfers					37,595,295	2,969,364	40,564,659	-
Change in net position					3,106,740	3,154,601	6,261,341	-
Net position, beginning of year					126,542,867	90,472,877	217,015,744	75,000
Net position, end of year					$ 129,649,607	$ 93,627,478	$ 223,277,085	$ 75,000

The notes to the financial statements are an integral part of this statement.

CITY OF UNIVERSITY PARK, TEXAS
Balance Sheet
Governmental Funds

September 30, 2025

	General	Capital Projects	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	$ 22,133,524	$ 687,077	$ 338,629	$ 23,159,230
Investments	22,053,344	2,984,565	-	25,037,909
Receivables (net of allowance):				
Property tax	312,186	-	-	312,186
Sales tax	1,412,445	-	-	1,412,445
Franchise fees	346,523	-	-	346,523
Accrued interest	72,289	18,028	-	90,317
Other, net	2,093,369	4,375,397	85,913	6,554,679
Leases	1,919,523	-	-	1,919,523
Due from other funds	5,721,519	2,982,442	380,872	9,084,833
Inventory	722,496	-	-	722,496
Total assets	$ 56,787,218	$ 11,047,509	$ 805,414	$ 68,640,141
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable	$ 937,862	$ 3,486,889	$ 2,908	$ 4,427,659
Accrued liabilities	1,191,724	4,134	-	1,195,858
Other/customer deposits	118,506	-	-	118,506
Due to other funds	25,924,570	316	168,476	26,093,362
Due to component unit	75,000	-	-	75,000
Unearned revenues	50,648	-	34,207	84,855
Total liabilities	28,298,310	3,491,339	205,591	31,995,240
Deferred Inflows of Resources:				
Unavailable revenues - property taxes	312,186	-	-	312,186
Unavailable revenues - general services	224,919	-	-	224,919
Unavailable revenue - lease related	1,919,523	-	-	1,919,523
Total deferred inflows of resources	2,456,628	-	-	2,456,628
Fund Balances:				
Nonspendable	722,496	-	-	722,496
Restricted to:				
General government	-	-	215,623	215,623
Public safety	-	-	288,284	288,284
Parks	-	-	95,916	95,916
Committed to:				
SMU land sale	2,665,783	-	-	2,665,783
Emergency expenditures	2,500,000	-	-	2,500,000
SMU PILOT	2,375,000	-	-	2,375,000
Assigned to:				
General Government	31,054	7,556,170	-	7,587,224
Public Works	75,837	-	-	75,837
Public Safety	25,506	-	-	25,506
Unassigned	17,636,604	-	-	17,636,604
Total fund balances	26,032,280	7,556,170	599,823	34,188,273
Total liabilities, deferred inflows of resources and fund balances	$ 56,787,218	$ 11,047,509	$ 805,414	$ 68,640,141

The notes to the financial statements are an integral part of this statement

CITY OF UNIVERSITY PARK, TEXAS
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position

September 30, 2025

Total fund balances - governmental funds	$	34,188,273
Amounts reported for governmental activities in the statement of net position are different because:		
Capital, lease, and subscription assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Amount excludes Internal Service Funds' capital assets.		106,918,965
Certain receivables will be collected this year, but are not available to pay for the current period's expenditures and are, therefore, unavailable in the funds.		537,105
This amount is the net pension liability (TMRS) recorded at the government-wide level, not recorded in any governmental funds. Amount excludes Internal Service Funds' net pension liability.		(7,184,239)
This amount is the total other postemployment benefits liability (OPEB) recorded at the government-wide level, not recorded in the funds. Amount excludes Internal Service Funds' total OPEB liability.		(785,632)
This amount is the net pension liability (FRRF) recorded at the government-wide level, not recorded in the funds.		(16,138,715)
This amount is the net deferred inflows/outflows related to pension/OPEB recorded at the government-wide level, not recorded in the funds. Amount excludes Internal Service Funds' deferred outflows/inflows.		1,800,725
Compensated absences are not due and payable in the current period and therefore are not reported in the funds. The portion expected to be paid within 60 days in the General Fund is reported as accrued liabilities at the fund level. The remaining liability is reported in the government-wide Statement of Net Position. Amount excludes compensated absences of the Internal Service Funds.		(2,773,577)
Lease and subscription payables are not due and payable in the current period and therefore is are reported in the funds. Amount excludes Internal Service Funds' lease liabilities.		(24,707)
Internal service funds are used by management to charge the costs of various services to individual funds. The governmental portion of the assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.		13,111,409
Total net position - governmental activities	$	129,649,607

The notes to the financial statements are an integral part of this statement.

CITY OF UNIVERSITY PARK, TEXAS
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds

For the Year Ended September 30, 2025

	General	Capital Projects	Other Governmental Funds	Total Governmental Funds
REVENUES				
Property taxes	$ 26,791,661	$ -	$ -	$ 26,791,661
Sales tax	7,751,865	-	-	7,751,865
Franchise fees	1,830,705	-	-	1,830,705
Permits and licenses	3,238,332	-	-	3,238,332
Fines	436,904	-	11,602	448,506
Charges for services	2,214,624	-	-	2,214,624
Intergovernmental	-	10,095,584	-	10,095,584
Other	650,857	-	3,272	654,129
Investment income	2,321,861	217,984	186	2,540,031
Donations	12,000	-	266,821	278,821
Total revenues	45,248,809	10,313,568	281,881	55,844,258
EXPENDITURES				
Current:				
General Government	5,281,632	136,490	92,321	5,510,443
Public Safety	20,243,592	-	13,986	20,257,578
Streets	1,919,775	-	-	1,919,775
Parks	3,974,837	-	56,163	4,031,000
Public Works	3,983,030	-	-	3,983,030
Capital Outlays	67,645	28,870,732	-	28,938,377
Debt service:				
Principal	11,816	-	-	11,816
Interest	1,096	-	-	1,096
Total expenditures	35,483,423	29,007,222	162,470	64,653,115
Excess (Deficiency) of Revenues Over (Under) Expenditures	9,765,386	(18,693,654)	119,411	(8,808,857)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	9,768,784	-	9,768,784
Transfers out	(12,467,876)	-	-	(12,467,876)
Total other financing sources (uses)	(12,467,876)	9,768,784	-	(2,699,092)
Net Change in Fund Balances	(2,702,490)	(8,924,870)	119,411	(11,507,949)
Fund Balances, Beginning of Year	28,734,770	16,481,040	480,412	45,696,222
Fund Balances, End of Year	$ 26,032,280	$ 7,556,170	$ 599,823	$ 34,188,273

The notes to the financial statements are an integral part of this statement.

CITY OF UNIVERSITY PARK, TEXAS
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities

For the Year Ended September 30, 2025

Net change in fund balances - total governmental funds		$ (11,507,949)
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation/amortization expense. This is the amount by which capital outlays exceeded depreciation and amortization in the current period, exclusive of the capital, lease and subscription asset activity of internal service funds.		
Capital expenditures	28,835,972	
Depreciation and amortization expense	(4,511,396)	
		24,324,576
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		(13,100)
This amount is the net TMRS pension expense recorded at the government-wide level, not recorded in the funds.		(8,046,302)
This amount is the net postemployment benefits expense recorded at the government-wide level, not recorded in the funds.		(71,569)
This amount is the net FRRF pension expense recorded at the government-wide level, not recorded in the funds.		(453,035)
This amount is the change in the long-term portion of compensated absences, and as such, it is not reported in the funds.		(449,912)
Internal service funds are used by management to charge the costs of vehicle service, repair and replacement and various insurance services to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities.		(675,969)
Change in net position of governmental activities		$ 3,106,740

The notes to the financial statements are an integral part of this statement.

CITY OF UNIVERSITY PARK, TEXAS
Statement of Net Position
Proprietary Funds
September 30, 2025

	Business-Type Activities - Enterprise Funds					Governmental Activities - Internal Service Funds
	Water and Sewer	Sanitation	Stormwater	Aquatics	Total	
ASSETS						
Current assets						
Cash and cash equivalents	$ 381,863	$ 501,205	$ 774,653	$ -	$ 1,657,721	$ 1,237,371
Investments	1,975,357	-	1,000,680	-	2,976,037	988,110
Receivables (net of allowance)	3,594,923	581,541	249,577	-	4,426,041	16,623
Due from other funds	10,506,069	6,314,724	6,726,519	807,714	24,355,026	12,225,804
Prepaids	-	45,808	-	-	45,808	-
Total current assets	16,458,212	7,443,278	8,751,429	807,714	33,460,633	14,467,908
Noncurrent assets						
Prepaids	-	22,907	-	-	22,907	-
Restricted cash	433,780	-	-	-	433,780	-
Capital, lease and subscription assets:						
Land	108,758	-	-	-	108,758	-
Buildings	54,594	-	-	-	54,594	-
Improvements other than buildings	109,226,448	-	14,429,954	-	123,656,402	-
Machinery and equipment	3,243,517	269,637	-	-	3,513,154	18,727,200
Lease asset	-	-	-	296,253	296,253	-
Subscription asset	-	-	-	-	-	1,401,052
Infrastructure	6,357,131	-	1,353,224	-	7,710,355	-
Construction in progress	11,306,957	-	2,228,720	-	13,535,677	63,472
Less accumulated depreciation/amortization	(58,690,536)	(174,792)	(1,002,962)	(153,064)	(60,021,354)	(10,564,546)
Total capital assets (net of accumulated depreciation/amortization)	71,606,869	94,845	17,008,936	143,189	88,853,839	9,627,178
Total noncurrent assets	72,040,649	117,752	17,008,936	143,189	89,310,526	9,627,178
Total assets	88,498,861	7,561,030	25,760,365	950,903	122,771,159	24,095,086
DEFERRED OUTFLOWS OF RESOURCES						
Difference in expected and actual pension/OPEB experience	78,901	72,588	-	3,065	154,554	49,329
Changes in pension/OPEB actuarial assumptions	18,789	18,109	-	663	37,561	10,058
Pension/OPEB contributions after measurement date	242,162	214,691	-	10,070	466,923	167,998
Total deferred outflows of resources	339,852	305,388	-	13,798	659,038	227,385
LIABILITIES						
Current liabilities						
Accounts payable	1,595,441	34,704	16,444	11,773	1,658,362	534,740
Accrued liabilities	347,875	106,890	42,406	3,546	500,717	320,085
Lease liabilities	-	-	-	60,091	60,091	-
Subscription liabilities	-	-	-	-	-	279,323
OPEB liability	9,959	9,598	-	351	19,908	5,331
Unearned revenue	-	45,808	-	-	45,808	-
Accrued compensated absences	165,461	145,148	-	8,735	319,344	77,967
Due to other funds	8,125,966	4,183,775	5,849,190	9,966	18,168,897	1,403,404
Current maturities of certificates	-	-	683,389	-	683,389	-
Total current liabilities	10,244,702	4,525,923	6,591,429	94,462	21,456,516	2,620,850
Noncurrent liabilities						
Unearned revenue	-	2,907	-	-	2,907	-
Lease liabilities	-	-	-	88,271	88,271	-
Subscription liabilities	-	-	-	-	-	549,640
Net pension liability - TMRS	951,638	842,243	-	39,692	1,833,573	663,145
OPEB liability	115,063	110,904	-	4,059	230,026	61,590
Customer deposits - payable from restricted cash	433,780	-	-	-	433,780	-
Accrued compensated absences	228,490	177,704	-	1,971	408,165	97,750
Certificates of obligation payable	-	-	11,777,210	-	11,777,210	-
Total noncurrent liabilities	1,728,971	1,133,758	11,777,210	133,993	14,773,932	1,372,125
Total liabilities	11,973,673	5,659,681	18,368,639	228,455	36,230,448	3,992,975
DEFERRED INFLOWS OF RESOURCES						
Difference in expected and actual experience	136,023	126,732	-	5,155	267,910	81,775
Changes in pension/OPEB actuarial assumptions	68,457	62,826	-	2,672	133,955	43,113
Difference in projected and actual pension/OPEB investment earnings	100,474	88,925	-	4,191	193,590	70,015
Total deferred inflows of resources	304,954	278,483	-	12,018	595,455	194,903
NET POSITION						
Net investment in capital assets	71,151,990	94,845	4,535,592	(5,173)	75,777,254	8,798,215
Unrestricted	5,408,096	1,833,409	2,856,134	729,401	10,827,040	11,336,378
Total net position	$ 76,560,086	$ 1,928,254	$ 7,391,726	$ 724,228	$ 86,604,294	$ 20,134,593
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.					7,023,184	
Net position of business-type activities					$ 93,627,478	

The notes to the financial statements are an integral part of this statement.

CITY OF UNIVERSITY PARK, TEXAS
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds

For the Year Ended September 30, 2025

	Business-Type Activities - Enterprise Funds					Governmental Activities - Internal Service Funds
	Water and Sewer	Sanitation	Stormwater	Aquatics	Total	
Operating revenues						
Charges for Sales and Services:						
Water sales	$ 15,054,075	$ -	$ -	$ -	$ 15,054,075	$ -
Sewer	7,231,327	-	-	-	7,231,327	-
Refuse collection	-	3,777,546	-	-	3,777,546	-
Recycling	-	434,147	-	-	434,147	-
Stormwater	-	-	1,516,269	-	1,516,269	-
Charges for service	-	-	-	503,192	503,192	5,034,118
Premiums	-	-	-	-	-	4,928,962
Other revenue	10,253	-	-	-	10,253	3,952
Total operating revenues	22,295,655	4,211,693	1,516,269	503,192	28,526,809	9,967,032
Operating expenses						
Personnel services	4,325,232	3,697,431	-	514,674	8,537,337	2,717,709
Contractual and other services	13,368,799	885,872	72,704	199,636	14,527,011	1,634,598
Depreciation and amortization	2,735,236	7,627	305,514	59,251	3,107,628	1,603,482
Supplies and other	558,640	337,605	-	-	896,245	84,673
Administrative and fiscal services	600,000	-	-	-	600,000	1,003,387
Claims paid and change in estimate	-	-	-	-	-	4,421,936
Total operating expenses	21,587,907	4,928,535	378,218	773,561	27,668,221	11,465,785
Operating Income (Loss)	707,748	(716,842)	1,138,051	(270,369)	858,588	(1,498,753)
Nonoperating revenues (expenses)						
Investment income	251,536	43,217	90,266	-	385,019	96,933
Interest expense and fiscal charges	-	-	(228,480)	(5,403)	(233,883)	(48,063)
Gain on sale of capital assets	-	-	-	-	-	219,699
Total nonoperating revenues (expenses)	251,536	43,217	(138,214)	(5,403)	151,136	268,569
Income (loss) before transfers	959,284	(673,625)	999,837	(275,772)	1,009,724	(1,230,184)
Transfers						
Transfers to other funds	(2,500,000)	(30,000)	(50,000)	-	(2,580,000)	-
Transfers from other funds	1,654,092	-	2,500,000	1,000,000	5,154,092	125,000
Total transfers	(845,908)	(30,000)	2,450,000	1,000,000	2,574,092	125,000
Change in net position	113,376	(703,625)	3,449,837	724,228	3,583,816	(1,105,184)
Total net position - beginning	76,446,710	2,631,879	3,941,889	-	83,020,478	21,239,777
Total net position - ending	$ 76,560,086	$ 1,928,254	$ 7,391,726	$ 724,228	$ 86,604,294	$ 20,134,593
				Change in net position of proprietary funds	3,583,816	
				Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.	(429,215)	
				Change in net position of business-type activities	$ 3,154,601	

The notes to the financial statements are an integral part of this statement.

CITY OF UNIVERSITY PARK
Statement of Cash Flows
Proprietary Funds

For the Year ended September 30, 2025

	Business-Type Activities - Enterprise Funds					Governmental Activities - Internal Service Funds
	Water and Sewer	Sanitation	Stormwater	Aquatics	Total	
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts from customers and users	$ 22,877,710	$ 4,222,634	$ 1,435,420	$ 503,192	$ 29,038,956	$ 10,000,943
Payments (to) from other funds	3,861,195	(1,275,224)	(1,530,648)	(797,748)	257,575	914,589
Payments to suppliers	(15,262,264)	(1,216,521)	(129,964)	(187,863)	(16,796,612)	(7,528,436)
Payments to employees	(3,176,380)	(2,722,215)	-	(458,100)	(6,356,695)	(1,975,074)
Net cash provided by (used in) operating activities	8,300,261	(991,326)	(225,192)	(940,519)	6,143,224	1,412,022
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Transfers from (to) other funds	(845,908)	(30,000)	2,450,000	1,000,000	2,574,092	125,000
Net cash provided by (used in) noncapital financing	(845,908)	(30,000)	2,450,000	1,000,000	2,574,092	125,000
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Acquisition of capital assets	(11,132,674)	-	(799,532)	-	(11,932,206)	(3,401,973)
Principal payments on lease assets	-	-	-	(54,078)	(54,078)	(20,072)
Principal payments on subscription assets	-	-	-	-	-	(296,362)
Principal paid on certificates of obligation	-	-	(550,000)	-	(550,000)	-
Interest and agent fees paid	-	-	(231,231)	(5,403)	(236,634)	(50,252)
Proceeds from sale of capital assets	-	-	(119,120)	-	(119,120)	221,320
Net cash (used in) capital and related financing activities	(11,132,674)	-	(1,699,883)	(59,481)	(12,892,038)	(3,547,339)
CASH FLOWS FROM INVESTING ACTIVITIES						
Purchase of investment securities	1,904,566	1,000,516	(1,000,680)	-	1,904,402	1,968,407
Interest on investments	251,536	43,217	90,266	-	385,019	96,933
Net cash provided by (used in) investing activities	2,156,102	1,043,733	(910,414)	-	2,289,421	2,065,340
Net increase (decrease) in cash and cash equivalents	(1,522,219)	22,407	(385,489)	-	(1,885,301)	55,023
Cash and cash equivalents (including $417,155) restricted cash), beginning of year	2,337,862	478,798	1,160,142	-	3,976,802	1,182,348
Cash and cash equivalents (including $433,780) restricted cash), end of year	$ 815,643	$ 501,205	$ 774,653	$ -	$ 2,091,501	$ 1,237,371
Reconciliation of operating income / (loss) to net cash provided by operating activities:						
Operating income / (loss)	$ 707,748	$ (716,842)	$ 1,138,051	$ (270,369)	$ 858,588	$ (1,498,753)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:						
Depreciation/amortization expense	2,735,236	7,627	305,514	59,251	3,107,628	1,603,482
(Increase) decrease in due from other funds	(631,453)	(2,034,049)	70,114	(807,714)	(3,403,102)	814,022
Increase in pension/OPEB and deferred inflows/outflows	1,105,083	922,823	-	42,322	2,070,228	755,625
(Increase) decrease in accounts receivable	564,542	9,142	(80,849)	-	492,835	(11,122)
Decrease in prepaid expenses	-	45,808	-	-	45,808	-
Decrease in interest receivable	888	1,799	-	-	2,687	45,033
Increase (decrease) in accounts payable	(748,236)	6,956	(57,260)	11,773	(786,767)	(383,842)
Increase (decrease) in accrued liabilities	73,805	52,393	-	14,252	140,450	(12,990)
(Decrease) in unearned revenue	-	(45,808)	-	-	(45,808)	-
Increase (decrease) in due to other funds	4,492,648	758,825	(1,600,762)	9,966	3,660,677	100,567
Total adjustments	7,592,513	(274,484)	(1,363,243)	(670,150)	5,284,636	2,910,775
Net cash provided by (used in) operating activities	$ 8,300,261	$ (991,326)	$ (225,192)	$ (940,519)	$ 6,143,224	$ 1,412,022
NON-CASH INVESTING ACTIVITIES						
Capital assets in accounts payable	$ 454,878	$ -	$ 12,745	$ -	$ 467,623	$ -
Lease and SBITA assets acquired through liabilities	-	-	-	296,253	296,253	91,690
Lease and SBITA assets terminated	-	-	-	-	-	(219,653)
Change in the fair value of investments	63,232	4,670	9,519	-	77,421	30,982
Total non-cash investing activities	$ 518,110	$ 4,670	$ 22,264	$ 296,253	$ 841,297	$ (96,981)

The notes to the financial statements are an integral part of the financial statements.

CITY OF UNIVERSITY PARK, TEXAS
Firemen's Relief and Retirement Fund
Statement of Fiduciary Net Position

December 31, 2024

ASSETS	**Total**
Cash and cash equivalents	
Westwood Trust	$ 200,485
Texas State Bank	2,962
Total cash and cash equivalents	203,447
Receivables	
Interest receivable	1,025
Total receivables	1,025
Investments at fair value:	
Westwood Trust Large Cap Value Equity	1,695,561
Westwood Trust SmallCap Value Equity	275,608
Westwood Trust SMidCap Value Equity	554,212
Westwood Trust Core Investment Grade Bond	3,027,088
Income Opportunity	1,999,353
Pgim Jennison Growth Fund R6	1,125,927
ishares 20 year treasury	280,678
Vanguard FTSE Developed Markets	1,954,403
iShares S&P Midcap 100 Index Fund	277,653
Westwood multi Asset Income Fund	857,082
Westwood Alternative Income Fund Ultra	144,101
RBC Emerging Markets Equity	694,463
LSV Emerging Markets Equity	280,395
iShares Core S&P 500	570,431
Vanguard Scottdal Vng Rus2000grw	417,339
Total investments at fair value	14,154,294
Total assets	14,358,766
LIABILITIES	
Accounts payable	21,942
Total Liabilities	21,942
NET POSITION	
Net position restricted for pensions	$ 14,336,824

The notes to the financial statements are an integral part of this statement.

CITY OF UNIVERSITY PARK, TEXAS
Fireman's Relief and Retirement Fund
Statement of Changes in Fiduciary Net Position

For the Year Ended December 31, 2024

ADDITIONS	
Investment income:	
Net (depreciation) in fair value of investments	$ (149,690)
Gain (loss) on sale of investments:	
Realized gain on sale of investments	855,509
Realized (loss) on sale of investments	(16,870)
Interest and dividend income	424,576
	1,113,525
Less investment expenses	(119,740)
Net investment income	993,785
Contributions:	
Employer	1,465,165
Employees	336,593
Total contributions	1,801,758
Total additions (net)	2,795,543
DEDUCTIONS	
Benefits paid directly to participants	1,527,304
Administration expenses	34,696
Total deductions	1,562,000
Net increase in net position	1,233,543
NET POSITION RESTRICTED FOR PENSIONS	
Beginning of year	13,103,281
End of year	$ 14,336,824

The notes to the financial statements are an integral part of this statement.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting and reporting policies of the City of University Park ("the City") relating to the funds included in the accompanying financial statements conform to the generally accepted accounting principles in the United States of America applicable to local governments. The following represent the more significant accounting and reporting policies and practices used by the City.

A. Reporting entity

The City was incorporated April 17, 1924, to operate as a general law city. Until 1989, a three-member Board of Commissioners served as the elected governing body. On November 9, 1989, University Park voters approved a Home Rule Charter, and the governing body for the City became the five-member City Council. The City is regulated by the Code of State Statutes of the State of Texas and is authorized to provide the following services: public safety (police and fire), public works, planning, building inspection, sanitation, water and sewer utilities, aquatics, and general administrative services.

The accompanying financial statements present the government and its component units, entities for which the government is considered financially accountable. The blended component unit, although a legally separate entity, is in substance part of the government's operations. See note below for description to emphasize that it is legally separate from the government.

Blended component unit. The University Park Civic Foundation, Inc. ("the Foundation") is a tax-exempt, non-profit corporation established in 1987 to promote public safety as well as charitable, scientific, literary and educational activities. The Foundation was created to make monetary contributions to the City for the general public purpose of assisting the City in undertaking any lawful civic endeavor. Although the Foundation's Board of Directors appoints its own successors, by practice the Board has always been comprised of three University Park City Council members. The City's Director of Finance also serves as the Foundation's Assistant Secretary/Assistant Treasurer. The Foundation is reported as a special revenue fund in the City's financial statements and does not issue separate audited financial statements.

Discretely presented component units. Created with assistance from the City in 1985, the Texas Higher Education Authority, Inc. ("THEA") provides low-interest construction loans to private higher education institutions. The City Council appoints all Board members of THEA, and may remove them at will. Upon dissolution, THEA's net worth will revert to the City. THEA's operating and capital expenditures, including debt service, were financed entirely by its bond issues. Subsequent to the mandatory redemption of all outstanding bonds in December of 2003, substantially all of THEA's remaining net worth was transferred to the City. THEA is reported as an enterprise fund and has a December 31 fiscal year-end. THEA is comprised of a single fund, and separate financial statements are not prepared. In accordance with the resolution of the Board, all fund balances in THEA were transferred to the City during fiscal year 2013. Although THEA has not been dissolved, there were no transactions during fiscal year 2025. Therefore, this component unit is not presented in the City's fiscal year 2025 financial statements.

A second discretely presented component unit, the Southwest Higher Education Authority, Inc. ("SWHEA"), issues tax-exempt debt solely for the benefit of Southern Methodist University. Sponsored by the City, SWHEA was incorporated in 1983. The City Council appoints all Board members of SWHEA and may remove them at will. SWHEA pays the City a fee of $15,000 for each bond issuance up to $50 million, a fee of $20,000 for an issue from $50 to $100 million, and a fee of $25,000 for an issue over $100 million.

As of September 30, 2025, SWHEA had issued eight series of bonds with an aggregate outstanding principal amount payable of $349,560,000. These bonds are considered conduit debt of SWHEA and are reported in the financial statements of Southern Methodist University. SWHEA is reported as an enterprise fund and has a December 31 fiscal year-end. SWHEA is comprised of a single fund, and separate financial statements of SWHEA are not prepared.

Fiduciary component unit. The University Park Firemen's Relief and Retirement Fund (FRRF) is established under the authority of the Texas Local Firefighters' Retirement Act passed in 1937 by the Texas State Legislature. FRRF is governed by seven trustees composed of the Mayor or his designee, the Director of Finance of the City, or his designee, three firefighters elected by majority of firefighters, and two citizens who are not officers or employees of the City and who must be elected by the majority vote of the board of trustees. FRRF is reported as a fiduciary component unit in the accompanying financial statements as a pension trust fund, under the provision of GASB 84 and GASB 14, as amended. The financial information included in these statements is as of FRRF's year end, December 31, 2024.

B. Government-wide and fund financial statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the City and its component units. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges from support. Likewise, the primary government is reported separately from the discretely presented component units which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes, fees, interest and other items not properly included among program revenues are reported as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. Measurement focus, basis of accounting, and financial statements presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary funds and fiduciary funds. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Ad valorem taxes are recognized as revenues in the year for which they are levied.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the

current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Any amounts collected beyond the 60 days are recorded as deferred inflows of resources. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, expenditures related to compensated absences, net pension liabilities, other post-employment benefits, leases, subscription based IT arrangements, claims, and judgments are recorded only when payment is due.

Ad valorem taxes, sales taxes, franchise fees, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The City reports the following major governmental funds:

General Fund – Accounts for the ordinary operations of the City financed from taxes and other general revenues. It is used to account for all financial resources except those required to be accounted for in another fund by law or contractual agreement.

Capital Projects Fund – Accounts for the acquisition of capital assets or the construction of major capital projects not being financed by proprietary funds.

The City reports the following major proprietary funds:

Water and Sewer Fund – Accounts for the provision of water and sewer services to the residents of the City.

Sanitation Fund – Accounts for the provision of sanitation services to the residents of the City.

Stormwater Fund – Accounts for the provision of stormwater services to the residents of the City.

Aquatics Fund – Accounts for the provision of services at the Holmes Aquatic Center to the residents of the City.

The City reports the following additional funds:

Nonmajor governmental special revenue funds:

University Park Civic Foundation – Accounts for the donations to and activities of the University Park Civic Foundation.

Court Security – Accounts for the collection and use of the Municipal Court security fee charged to defendants in accordance with state law.

Court Technology – Accounts for the collection and use of the Municipal Court technology fee charged to defendants in accordance with state law.

Consolidated Court Security and Technology – Texas House Bill 1950 requires municipalities with populations under 100,000 to consolidate court security and court technology fees into a single combined fund. The law applies to all applicable fees collected on or after May 29, 2025.

Police Training and Education – Accounts for the use of monies received for police training and education purposes.

Police Forfeiture – Accounts for awards of monies by the courts to the Police Department. The administration of this fund is legally restricted to the police and the resources are to be used for police activities.

Fire Training and Education – Accounts for the use of monies received for Fire Department training and education.

Library – Accounts for the use of monies received for the City library.

Parks Projects and Programs – Accounts for the use of monies received for City park projects and programs.

Additionally, the City reports the following fund types:

Internal service funds:

Equipment Services Fund – Accounts for the costs associated with the acquisition and maintenance of specific equipment through the rental of it to other departments.

Comprehensive Self-Insurance Fund – Accounts for the costs associated with the general liability, property and casualty, workers' compensation, and employee health self-insurance program established by the City.

Technology Services Fund – Accounts for the costs associated with the acquisition and maintenance of the City's array of computer systems, application software, network infrastructure, and internet web presence.

Fiduciary funds:

Firemen's Relief and Retirement Fund – Accounts for the benefits provided for service retirement, death, disability, and withdrawal benefits for full-time firefighters and administrative personnel who work for the fire department.

As a general rule, the effect of interfund activities has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the government's business-type functions and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues generally include charges to customers or applicants for goods, services, or privileges provided. Franchise fees, interest earnings and donations are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing goods or services in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the government's water and sewer, sanitation, stormwater and aquatics enterprise funds and of the equipment service, technology service, and self-insurance internal service funds are charges to customers for sales or services.

Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses and depreciation/amortization on capital, lease, and subscription assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Governmental fund balances are presented in accordance with Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Fund balance classifications, under GASB 54, are Nonspendable, Restricted, Committed, Assigned and Unassigned. These classifications reflect not only the nature of the funds, but also provide clarity to the level of restriction placed upon fund balance. Fund balance can have different levels of restraint, such as external versus internal compliance requirements. Unassigned fund balance is the residual classification within the General Fund. The General Fund should be the only fund that reports a positive unassigned fund balance. In all other governmental funds, an unassigned balance is limited to negative residual fund balance. For further explanation of the various fund balance classifications refer to Note I.D.11.

D. Assets, liabilities, deferred outflows/inflows, and net position or fund balance

1. Deposits and investments

The City's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. Investments are carried at fair value, except for the position in local government investment pools. Fair value is determined as the price at which two willing parties would complete an exchange. The City uses a modified pooled cash approach, in which only one fund (the General Fund) has a "cash" account for making investment transactions.

Obligations with maturities of one year or less when purchased are reported at their amortized cost, while investments with maturities greater than one year are reported at fair value. Nonparticipating investment contracts, generally certificates of deposit, are reported at cost. Interest income is allocated to the individual funds based on the funds' proportion of the pooled investments, or specific investment holdings.

The City's investment policy permits investments in obligations of the United States or its agencies and instrumentalities, direct obligations of the State of Texas or its agencies; other obligations of which the principal and interest on which are unconditionally guaranteed or insured by the State of Texas or the United States, obligations of states, agencies, counties, cities and other political subdivisions, fully collateralized direct repurchase agreements, certificates of deposit, and local government investment pools. Unless backed by the full faith and credit of the U.S. government, investments in collateralized mortgage obligations are strictly prohibited. The investment policy is reviewed and approved annually by the Finance Advisory Committee and the City Council and includes all City funds.

2. Receivables and payables

All outstanding balances between funds are reported as "due to/from other funds." Residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

All trade and property tax receivables are shown net of an allowance for uncollectible amounts. Trade accounts receivable over 365 days old are the basis for the trade accounts receivable allowance for uncollectible calculation.

Property taxes are levied as of October 1 on property values assessed as of the prior January 1. They are considered past due 120 days after the respective tax billing date, at which time an enforceable lien attaches.

Lease Receivable – The City recognizes a lease receivable and deferred inflow of resources in the government-wide and governmental funds financial statements.

At implementation of GASB Statement No. 87, *Leases*, and the commencement of lease beginning after October 1, 2021, the City initially measured the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the City determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

The City uses the lessee's rate, or the rate disclosed in the agreement. If the rate is not readily available, the City uses the current U.S. Treasury yield + 1% as the discount rate for leases.

- The lease term includes the non-cancellable period of the lease.
- Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The City monitors changes in circumstances that would require a re-measurement of its lease and will re-measure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

3. Inventories and prepaid items

Inventories are valued at a weighted average cost. In accordance with the consumption method of accounting, inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements.

4. Restricted assets

The City classifies customer deposits in proprietary funds and assets from nonmajor governmental funds as restricted.

5. Interfund transactions

Reimbursements between funds are recorded as expenditures or expenses in the reimbursing fund and reductions of expenditures or expenses in the reimbursed fund. All legally authorized transfers are included in the results of operations of both governmental and proprietary funds.

The City's internal service funds – Equipment Services, Technology Services and Comprehensive Self-Insurance – record charges for services as operating revenues. The respective user funds record the related operating expenditures or expenses, as appropriate.

Nonrecurring or non-routine transfers of equity between funds – for example, the transfer of residual balances of discontinued funds to other funds – are accounted for as transfers.

Transactions that occur between the primary government and the component units are classified as "due to/from the primary government/component unit."

6. Capital, lease, and subscription assets

Capital assets, which include land, buildings, improvements, infrastructure (such as roads, bridges, sidewalks and similar items) and equipment are reported in the applicable governmental or business-type activities columns in the government-wide financial statements.

Capital assets are defined by the City as assets with an initial, individual cost exceeding $5,000, and an estimated useful life in excess of one year.

Lease and subscription right-to-use assets are recognized at the present value of payments expected to be made over the term of the lease or subscription arrangement. The City recognizes lease and subscription right-to-use assets when the net present value of the related payments is $50,000 or more.

Capital projects are capitalized when accumulating costs exceed $50,000 and the resulting asset has an estimated useful life of more than one year. Capital project assets are recorded at historical cost if purchased or constructed or estimated historical cost if actual cost information is unavailable. Completed capital projects that do not meet both the cost and useful life criteria are expensed through depreciation expense in the year of completion. Donated capital assets are recorded at acquisition value at the date of donation. The City did not obtain any assets through service concession arrangements.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend its life are not capitalized.

The City's capital, lease, and subscription assets are depreciated using the straight-line method over the following estimated useful lives or lease/subscription term, whichever is shorter:

Assets	Years
Buildings	40
Improvements	20-30
Equipment	4-25
Leased equipment	5
Subscription assets	3-10
Infrastructure	40

7. Unearned Revenues

Governmental funds report a liability, unearned revenues, in connection with resources that have been received, but not yet earned, which consists primarily of grant dollars received in advance of incurring eligible expenditures

8. Compensated absences

It is City policy to permit employees to accumulate certain limited vacation and sick pay benefits. The equivalent of two years of earned but unused vacation earnings may be accumulated and carried over from year to year. Any vacation leave in excess of this amount is forfeited. Upon termination in good standing, employees are paid for unused vacation.

Employees are able to accumulate unlimited sick leave while employed. However, a maximum of 90 days accumulated sick leave will be paid out upon retirement. Any unused sick leave above this amount is forfeited. A liability has been recognized for the portion of vacation and accumulated sick leave benefits estimated payable in both the following year and upon retirement for all employees. The retirement of this liability is paid from the Governmental Funds, Proprietary Funds, or Internal Service Funds based upon the assignment of the employee at termination.

9. Long-term obligations

In addition to the portion of compensated absences estimated payable at September 30, 2025, the City also recognizes the actuarially determined net pension liability and other post-employment benefits as long- term obligations of the City.

Additionally, in the government-wide financial statements, and proprietary funds in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount.

Lease liability – The City recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government wide fund financial statements.

At implementation of GASB Statement No. 87 and the commencement of leases beginning after October 1, 2021, the City initially measured the lease liability at the present value of payments expected to be made during the remaining lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease right-to-use asset was initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease right-to use asset is amortized on a straight-line basis over its useful life.

The City recognizes lease liabilities with an initial, individual value of $50,000 or more.

Key estimates and judgments related to leases include how the City determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The City uses the interest rate charged by the lessor as the discount rate for leases. If the interest rate charged by the lessor is not readily determinable, the City uses the U.S. Treasury yield plus 1 percent as the discount rate.
- The lease term includes the noncancellable period of the lease.
- Lease payments included in the measurement of the lease liability are composed of fixed payments and the price of any purchase option the City is reasonably certain to exercise.

The City monitors changes in circumstances that would require a re-measurement of its lease and will re-measure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term liabilities on the Statement of Net Position.

Subscription liability – The City recognizes a subscription liability and an intangible right-to-use subscription asset (subscription asset) in the government wide financial statements.

At implementation of GASB Statement No. 96 and the commencement of subscription-based information technology arrangements (SBITA) beginning October 1, 2022, the City initially measured the subscription liability at the present value of payments expected to be made during the remaining subscription arrangement term. Subsequently, the subscription liability is reduced by the principal portion of subscription payments made. The subscription asset is initially measured as the initial amount of the subscription liability, plus subscription payments made at, and certain prepayments made before, the subscription arrangement commencement date, plus certain initial direct costs. Subsequently, the subscription asset is amortized on a straight-line basis over the shorter of the SBITA term or the useful life.

The City recognizes subscription liabilities with an initial, individual value of $50,000 or more.

Key estimates and judgments related to subscription arrangements include how the City determines (1) the discount rate it uses to discount the expected subscription payments to present value, (2) subscription arrangement term, and (3) subscription payments.

- The City uses the interest rate charged by the SBITA vendor as the discount rate. If the interest rate charged by the SBITA vendor is not readily determinable, the City uses the U.S. Treasury yield plus 1 percent as the discount rate.
- The subscription arrangement term includes the noncancellable period of the arrangement.
- Subscription payments included in the measurement of the subscription liability consist primarily of fixed payments and variable payments fixed in substance.

The City monitors changes in circumstances that would require a re-measurement of its subscription arrangements and will re-measure the subscription asset and liability if certain changes occur that are expected to significantly affect the amount of the subscription liability.

Subscription assets are reported with other capital assets and subscription liabilities are reported with long-term liabilities on the Statement of Net Position.

10. Net Position

Net position represents the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources of governmental and business-type activities, proprietary and fiduciary funds. The government-wide and proprietary fund financials utilize a net position presentation. Net position is categorized as net investment in capital assets, restricted, and unrestricted.

Net Investment in Capital Assets – This amount consists of capital and right-to-use assets (lease and subscription), net of accumulated depreciation/amortization and reduced by outstanding balances of bonds, notes, and other debt, that are attributable to acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are included in this component of net position.

Restricted Net Position – This amount is restricted by external parties such as creditor, grantors, contributors, or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Position – This amount is the net position that does not meet the definition of "net investment in capital assets" or "restricted net position".

11. Fund balance

In accordance with GASB 54, the City classifies governmental fund balance as follows:

Nonspendable Fund Balance – Includes fund balance amounts that cannot be spent either because they are not in a spendable form, or because of legal or contractual requirements.

Restricted – Includes fund balance amounts that can only be spent for the particular purpose stipulated by external resource providers either contractually, constitutionally or through enabling legislation.

Committed – Includes fund balance amounts that can only be spent for the specific purposes determined by formal action of the government's highest level of decision-making authority. Commitments may be modified or rescinded only by the government taking the same formal action that imposed the constraint originally. In the City of University Park, fund balance is committed by resolution of the City Council.

Assigned – Includes amounts intended to be used by the government for specific purposes. For this purpose, intent may be expressed by the governing body or by an official or body to which the governing body has delegated such authority. In accordance with the City Financial Management Policies, the City Council has authorized the City Manager to assign fund balance to a specific purpose. In practice, actions resulting in the assignment of fund balance may be taken by department directors. In governmental funds other than the general fund, assigned fund balance represents the amount that is not restricted or committed. This indicates that resources in other governmental funds are, at a minimum, intended to be used for the purpose of that fund.

Unassigned – Includes the residual positive fund balance within the General Fund and includes all amounts not contained in any of the above classifications. Unassigned fund balance is available for any valid governmental purpose and may include negative balances for any governmental fund in which expenditures exceed the amount restricted, committed or assigned for those specific purposes. In accordance with the City Financial Management Policies, "it is the goal of the City to achieve and maintain an unassigned fund balance in the General Fund equal to at least 30 days of expenditures to mitigate financial risk that can occur from unforeseen revenue fluctuations, significant unanticipated expenditures and natural disasters."

When multiple categories of fund balance are available for expenditure, the City will first spend the most restricted category of funds before spending the next most restricted category with available funds. Normally, this will result in the uses of restricted, committed, then assigned, and lastly, unassigned fund balance when expenditures are made, with the exception of the emergency reserve established by the City Council. Under normal circumstances, the City would first elect to utilize unassigned fund balance before considering the use of its emergency funds.

Although established by ordinance in 1976 and again in 1980, the City Council reauthorized the maintenance of a $2,500,000 emergency reserve during fiscal 2011 through the adoption of Resolution 11-08. The emergency reserve "shall be available for expenditure upon authorization of the City Council for emergency relief of economic or natural disaster or other urgent purpose for which the Council sees fit."

The following is an explanation of the fund balance classifications, other than those assigned, as presented on the Governmental Funds Balance Sheet:

Nonspendable Fund Balance – The portion of fund balance indicating items (such as inventory and prepaids) that are not in spendable form.

Restricted Fund Balance – Includes fund balance amounts that can only be spent for the particular purpose stipulated by external resource providers either contractually, constitutionally or through enabling legislation.

Committed Fund Balance

SMU Land Sale – Committed by City Council resolution to remain invested in the General Fund providing interest earnings until such time as recommendations for use are made by a special review committee.

Emergency Expenditures – Committed by City Council resolution for emergency expenditures. May be added as necessary to future budgets by supplemental appropriations action.

SMU PILOT (Payment In Lieu of Taxes) – Committed by City Council resolution to remain invested in perpetuity, providing interest earnings to the General Fund.

12. Pensions and Other Postemployment Benefits

For purposes of measuring the net pension and total OPEB liability (asset), deferred outflows and deferred inflows of resources and expenses, information about the fiduciary net position of Texas Municipal Retirement System (TMRS), Firemen's Relief and Retirement Fund (FRRF) and total position of Other Postemployment Benefit (OPEB) and additions to/deductions from the Plans' fiduciary net positions have been determined on the same basis as they are reported by the Plans. For this purpose, Plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. The City allocates the net pension liability, total OPEB liability, deferred outflows of resources, deferred inflows of resources and pension/OPEB expenses based on the employee count in each functional area. Investments are reported at fair value.

13. Deferred outflows/inflows of resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expenses/expenditures) until then. The deferred outflows of resources are reported in the government-wide statement of net position for governmental and business activities, and at the fund level for the proprietary statement of net position.

The City has four items that qualify for reporting in this category: (1) The City's pension and OPEB plan contributions made from the measurement date of the pension and OPEB plans to the current fiscal year end are deferred and will be recognized in the subsequent fiscal year. (2) The difference between the expected experience and the actual experience in the actuarial measurement of the total pension liabilities and total OPEB liability not recognized in the current year. (3) The changes in actuarial assumptions for the current year. The last two amounts are deferred and amortized over a period of years determined by the plan actuaries. The amortization period is based on the estimated average remaining service lives of employees that are provided with a pension through the pension plan (active and inactive employees) and OPEB (inactive employees) for the City determined as the beginning of the measurement date.The difference between projected and actual earnings on pension or OPEB plan investments are deferred and

recognized as pension or OPEB plan expense over a closed five-year period as required by GASB 68 and GASB 75

In addition to liabilities, the Statement of Net Position and/or Balance Sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenues) until that time. The City has four items that qualify for reporting in this category for governmental fund and government-wide level. At the governmental fund level, revenues that have been billed but not yet available are reported as unavailable revenues. This amount is deferred and recognized as an inflow of resources in the period it becomes available to the City. Deferred amounts are reported for leases in which the City is the lessor. This deferred amount is initially recorded to offset the total lease receivable at the commencement of the lease. It is subsequently amortized as lease revenue over the life of the lease term. At the government-wide level, the changes in actuarial assumptions for the current year and the difference between the expected experience and the actual experience in the actuarial measurement of the total FRRF and TMRS pension liability not recognized in the current year are deferred and amortized over a period of years determined by the plan actuary.

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The deferred outflows/inflows as of September 30, 2025 for the City's pension and OPEB plans are as follow:

		TMRS	FRRF	OPEB	TOTAL
Government-wide					
Deferred Outflows of Resources					
Difference between expected and actual experience		$ 446,692	$ -	$ 308,567	$ 755,259
Changes in actuarial assumptions		-	462,237	165,685	627,922
Difference in projected and actual investment earnings		-	494,161	-	494,161
Employer's contributions after measurement date		2,416,177	1,030,724	41,024	3,487,925
	Total	$ 2,862,869	$ 1,987,122	$ 515,276	$ 5,365,267
Deferred Inflows of Resources					
Difference between expected and actual experience		$ 564,476	$ 488,828	$ 710,183	$ 1,763,487
Changes in actuarial assumptions		407,433	24,941	250,497	682,871
Difference in projected and actual investment earnings		1,022,119	-	-	1,022,119
	Total	$ 1,994,028	$ 513,769	$ 960,680	$ 3,468,477
Proprietary Funds					
Deferred Outflows of Resources					
Difference between expected and actual experience		$ 84,603	$ -	$ 69,951	$ 154,554
Changes in actuarial assumptions		-	-	37,561	37,561
Employer's contributions after measurement dates		457,623	-	9,300	466,923
	Total	$ 542,226	$ -	$ 116,812	$ 659,038
Deferred Inflows of Resources					
Difference between expected and actual experience		$ 106,911	$ -	$ 160,999	$ 267,910
Changes in actuarial assumptions		77,168	-	56,787	133,955
Difference in projected and actual investment earnings		193,590	$ -	-	193,590
	Total	$ 377,669	$ -	$ 217,786	$ 595,455
Internal Service Funds					
Deferred Outflows of Resources					
Difference between expected and actual experience		$ 30,599	$ -	$ 18,730	$ 49,329
Changes in actuarial assumptions		-	-	10,058	10,058
Employer's contributions after measurement dates		165,508	-	2,490	167,998
	Total	$ 196,107	$ -	$ 31,278	$ 227,385
Deferred Inflows of Resources					
Difference between expected and actual experience		$ 38,666	$ -	$ 43,109	$ 81,775
Changes in actuarial assumptions		27,908	-	15,205	43,113
Difference in projected and actual investment earnings		70,015	-	-	70,015
	Total	$ 136,589	$ -	$ 58,314	$ 194,903

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14. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and deferred inflows and outflows of resources and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

15. Implementation of GASB standards

During the fiscal year ended September 30, 2025, the City implemented the requirements of GASB Statement No. 101, *Compensated Absences*, issued by the Government Accounting Standards Board in June 2022. This Statement establishes a unified model for the recognition and measurement of liabilities for compensated absences. Under the new guidance, a liability is recognized for leave that is attributable to services already rendered, accumulates, and is more likely than not to be used for time off or otherwise paid or settled. The Statement also requires the liability be measured using pay rates in effect as of the financial reporting date and include salary related payments that are directly and incrementally associated with payments for leave.

Management evaluated the impact of adopting this Statement on the City's financial statements. The implementation of GASB Statement No. 101 did not result in a restatement of beginning net position and did not have a material impact on the City's financial position, or cash flow.

The City also implemented the requirements of GASB Statement No. 102, *Certain Risk Disclosures*, issued in December 2023.This Statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to being to occur within 12 months of the date the financial statements are issued. The implementation had no impact on the City's financial position.

E. Implementation of new accounting principles

The City has reviewed GASB pronouncements that become effective in future years and notes the following statements are applicable to the City.

GASB Statement No. 103, Financial Reporting Model Improvements: This Statement modifies certain components of the governmental financial reporting model, including management's discussion and analysis (MD&A), the presentation of unusual or infrequent items, and the proprietary fund statement of revenues, expenses, and change in fund net position. In addition, the Statement clarifies the definition of operating and nonoperating revenues and expenses and requires budgetary comparison information to be presented as required supplementary information. This statement will be effective for the City in fiscal year 2026. The City will evaluate the potential impact on the City's net position.

GASB Statement No. 104, Disclosure of Certain Capital Assets: This Statement improves the effectiveness of capital asset disclosures by requiring certain types of assets to be disclosed separately for lease assets, subscription assets, and public-private partnerships. This Statement also requires additional disclosure for capital assets held for sale. This statement will be effective for the City in fiscal year 2026. The City will evaluate the potential impact on the City's net position.

F. Change in Reporting Entity

The City made a change to report activity for Aquatics in an enterprise fund, instead of the previously reported general fund. This represents a change within the reporting entity. There is no effect on beginning fund balances.

II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles in the United States of America applicable to local governments. All annual appropriations lapse at fiscal year-end.

The appropriated budget is prepared by fund and department. The City’s department heads may make transfers of appropriations within a department. Transfers of appropriations between departments within a single fund require the approval of the City Manager. Transfers between funds must be accomplished by budget amendment approved by the City Council.

Encumbrance accounting is employed in governmental funds. Encumbrances outstanding at year end are reported as assignments of fund balance and do not constitute expenditures or liabilities because the commitments will be re-appropriated and honored during the subsequent year.

B. Excess of expenditures over appropriations

For the year ended September 30, 2025, expenditures exceeded appropriations in the Executive, Finance, Library, Court, Public Works Administration, Facility Maintenance, and Administrative Transfers departments (the legal level of budgetary control) of the General Fund by $135,004. The over-expenditure in these departments was offset by lower than anticipated spending in other departments within the General Fund.

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III. DETAILED NOTES ON ALL FUNDS

A. Deposits

1. Cash

At September 30, 2025, the carrying amount of the City's bank deposits was $5,224,502 and the bank balance was $5,220,269. The City's bank deposits at year-end were covered by federal depository insurance or by pledged collateral held by the City's agent in the City's name. As of September 30, 2025, the bank balance was completely covered by federal depository insurance or by collateral held by the City's agent in the City's name. Cash on hand equaled $2,200. Restricted cash totaled $1,033,603.

2. Cash equivalents

The City participates in four investment pools. They include:

TexPool – a State of Texas sponsored state investment pool composed of U.S. government obligations, repurchase agreements, and AAA-rated money market mutual funds; and

TexSTAR (Texas Short Term Asset Reserve Program) – a local government investment pool composed primarily of U.S. Treasury securities, U.S. agency securities – both fixed and floating – and government-repurchase agreement collateralized obligations, the principal and interest of which are unconditionally guaranteed or insured by the full faith and credit of the United States or its agencies or its instrumentalities; and

TexasDAILY – a local government investment pool composed of high-quality money-market instruments backed by the U.S. government or any of its agencies or instrumentalities, as well as repurchase agreements backed by these securities, and certificates of deposits; and

TexasTERM – a local government investment pool composed of high-quality money-market instruments backed by the U.S. government or any of its agencies or instrumentalities, as well as repurchase agreements backed by these securities, and certificates of deposits.

Texas DAILY and TexasTERM are both part of the Texas Range Investment Program. Texas Daily focuses on daily liquidity and TexasTERM has maturities from 60 days to one year.

TexPool, TexasDaily, and TexasTerm use amortized cost rather than fair value to report net position to compute share prices. TexStar uses the fair value of the position in the pools which approximates net asset value of the pool shares.

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As of September 30, 2025, the City held the following balances in pooled funds:

Pool:			Weighted Average Maturity (in Days)	Credit Rating (Standard & Poor's)
TexPool	$	6,972,441	44	AAAm
TexSTAR		1,686,090	49	AAAm
TexasDAILY		12,602,870	46	AAAmmf
	$	21,261,401		

B. Investments and Deposits

In fiscal year 2016, the City adopted GASB Statement No. 72 (GASB 72), *Fair Value Measurement and Application*. GASB 72 was issued to address accounting and financial reporting issues related to fair value measurement.

Fair Value Measurements – The City categorizes its fair value measurements within the fair market value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset.

i. Level 1 inputs quoted prices in active markets for identical assets;
ii. Level 2 inputs are significant observable inputs for the asset other than quoted prices; and
iii. Level 3 inputs are significant unobservable inputs for an asset.

As of September 30, 2025, the City held the following investments:

Investment Type	As of September 30, 2025 Level 1		Level 2		Weighted Average Maturity (in Days)
U.S. Treasury	$	1,235,626	$	-	980
U.S. Agencies		-		10,935,874	610
Municipal Bonds		-		2,909,740	532
Negotiable Certificates of Deposit		-		13,920,816	795
	$	1,235,626	$	27,766,430	707
Combined (pooled funds and investments) weighted average maturity					373

Interest rate risk – In accordance with its annually adopted investment policy, the City manages its exposure to declines in fair value by limiting the combined weighted average maturity of its portfolio to no more than 548 days, while employing a "buy and hold" strategy. For purposes of the calculation, the combined weighted average also includes pooled fund deposits, which from a city investment perspective have a weighted average maturity of one day.

Credit risk – The investments reported above meet the criteria specified in the City's investment policy relative to those specific types of instruments.

i. Obligations of the United States or its agents and instrumentalities with a maturity not to exceed five (5) years from the date of purchase issued by, guaranteed by, or for which the credit of any of the following Federal Agencies and Instrumentalities are pledged for payment: Federal Home Loan Bank (FHLB), Federal Farm Credit Bank (FFCB), Federal Home Loan Mortgage Corp (FHLMC) and Federal Agricultural Mortgage Corporation (FAMC). Each of the City's purchased investments was rated at least AA+ by Standard and Poor's.

ii. Certificates of Deposit issued by a depository institution with a main office or branch in Texas that are guaranteed or insured by the Federal Deposit Insurance Corporation (FDIC), or secured by obligations or unconditional guarantees of the United States or its agencies and instrumentalities, the State of Texas or its agencies, or obligations of states, agencies, counties, cities and other political subdivision of any state having been rated as to investment quality by a nationally recognized investment firm not less than "A" or its equivalent.

Concentration of credit risk – It is the policy of the City to avoid a concentration of assets in a specific maturity, a specific issue or a specific class of securities. The applicable limits on the City's current investment are: U.S. Treasuries and Cash (100%), U.S. Agencies (60%), Certificates of Deposit (50%), Local Government Investment Pools (50%), and Municipal Bonds (20%). The actual percentages of these deposits and investments at September 30, 2025 are 11%, 20%, 25%, 39% and 5%, respectively.

Custodial credit risk of investments – For an investment, this is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. It is the policy of the City to mitigate this risk by contracting with third-party banks for the safekeeping of securities either owned by the City as part of its investment portfolio or held as collateral to secure certificates of deposit or repurchase agreements. Settlement of all investment transactions are on a delivery versus payment basis, and all securities are held by the third party custodian in the name of the City.

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C. Receivables

Receivables as of year-end for the City's individual major, non-major and internal service funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	General	Capital Projects	Water and Sewer	Sanitation	Stormwater	Internal Service	Nonmajor	Total
Receivables:								
Property tax	$ 353,512	$ -	$ -	$ -	$ -	$ -	$ -	$ 353,512
Sales Tax	1,412,445	-	-	-	-	-	-	1,412,445
Franchise	346,523	-	-	-	-	-	-	346,523
Customers	405,833	-	3,644,697	594,041	240,077	4,776	84,674	4,974,098
Lease	1,919,523	-	-	-	-	-	-	1,919,523
Interest	72,289	18,028	1,388	-	9,500	725	-	101,930
Other	2,296,692	4,375,397	1,838	-	-	11,122	1,239	6,686,288
Gross Receivables	6,806,817	4,393,425	3,647,923	594,041	249,577	16,623	85,913	15,794,319
Less: Allowance for Uncollectibles	(650,482)	-	(53,000)	(12,500)	-	-	-	(715,982)
Net Total Receivables	$ 6,156,335	$ 4,393,425	$ 3,594,923	$ 581,541	$ 249,577	$ 16,623	$ 85,913	$ 15,078,337

Ad Valorem (Property) tax attaches as an enforceable lien on property as of January 1.

The tax is levied each October 1 on the assessed value listed as of the prior January 1 for all real and business personal property located in the City. Assessed values are established at 100% of estimated market value and certified by the Dallas County Appraisal District. The assessed value of real and personal property on the tax roll as of January 1, 2024 was $20,663,161,150. The taxable value (assessed value less exemptions) upon which the fiscal 2025 levy based was $11,684,928,539.

The City is permitted by Article XI, Section 5 of the State of Texas Constitution to levy taxes up to $2.50 per $100 of assessed valuation for general governmental services, including the payment of principal and interest on general obligation long-term debt. The City Charter does not provide for a debt limit. The tax rate for the year ended September 30, 2025 was $0.2300 per $100, all of which was allocated to the general government.

Taxes are due October 1, the levy date. Full payment can be made prior to the following January 31 to avoid penalty and interest charges. Current tax collections for the year ended September 30, 2025 were 100% of the tax levy.

Property taxes levied for fiscal year 2025 have been recorded as receivables, net of estimated uncollectible amounts. The net receivables collected during 2025 and those considered "available" at September 30, 2025 (i.e., property taxes collected within 60 days of year-end) have been recognized as revenues in 2025. The remaining receivables have been reflected as unavailable revenue in the fund statements.

In Texas, central appraisal districts are required to assess all property within the appraisal district at 100% of its appraised value and are prohibited from applying any assessment ratios. The value of property within the appraisal district must be reviewed every three years; however, the City may, at its own expense, request annual reviews of appraised values. The City may challenge appraised values established by the

appraisal district through various appeals and, if necessary, legal action. Under this legislation, the City sets the tax rate on City property.

In 2024 the state legislature passed a tax reform measure that made a rollback election mandatory if property tax revenue will be more than 3.5% more than the “no new revenue rate” formerly known as the effective rate.

Sales and use tax is authorized under state law with the City’s levy equal to one percent of taxable sales and uses. The Texas Comptroller of Public Accounts collects all sales and use taxes on behalf of the City, remitting all taxes collected less a 2% service fee to the City on a monthly basis.

The State of Texas utilizes origin based sourcing for municipal sales and use tax. Under this approach, sales and use tax is sourced to the taxing jurisdiction in which the selling business is located regardless of where in the state the purchaser resides or the product is shipped. Origin sourcing can produce large individual sales and use tax payers to specific jurisdictions. Additionally, sales and use tax can fluctuate not only due to general economic factors but also due to relocations of businesses between taxing jurisdictions. The identity of and the amount paid by individual sales and use tax payers is strictly confidential under state law.

The City leases a portion of its property to various cell phone companies and businesses who use the space to conduct their operations, the terms of which expire in various years through 2046. The measurement of the lease receivable is based on the present value of lease payments expected to be received during the lease term, such as fixed payments.

The City recognized $56,786 in lease revenue during the current fiscal year related to these leases. As of September 30, 2025, the City's receivable for lease payments was $1,919,523. Also the City has a deferred inflow of resources associated with these leases that will be recognized as revenue over the lease terms. As of September 30, 2025, the balance of the deferred inflow of resources was $1,919,523.

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The following is a schedule by year of minimum payments to be received under the City's leases that are included in the measurement of the lease receivable as of September 30, 2025.

	Governmental Activities		
Fiscal Year	Principal	Interest	Total
2026	$ 62,013	$ 70,577	$ 132,590
2027	67,528	68,292	135,820
2028	73,343	65,802	139,145
2029	58,410	63,381	121,791
2030	59,810	61,354	121,164
2031-2035	393,506	269,067	662,573
2036-2040	585,287	182,818	768,105
2041-2045	531,414	67,805	599,219
2046	88,212	3,264	91,476
Total	$ 1,919,523	$ 852,360	$ 2,771,883

D. Prepaid expenses

In 1997, the City exchanged land with an original value of $20,000 for a reduction in landfill tipping fees for the next 26 years with the City of Garland. The present value of the tipping fees is reflected in the financial statements as a prepaid expense and unearned revenue in the Sanitation Fund.

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E. Capital, lease, and subscription assets

Capital, lease, and subscription asset activity for the year ended September 30, 2025 was as follows:

	Beginning Balance	Additions	Retirement / Sale	Transfers	Ending Balance
Governmental activities:					
Capital assets, non-depreciable:					
Land	$ 12,941,714	$ -	$ -	$ -	$ 12,941,714
Construction in progress	8,867,365	29,074,379	(24,645)	(9,078,042)	28,839,057
Capital, lease, and subscription assets, depreciable/amortized:					
Buildings	19,811,623	-	-	-	19,811,623
Improvements	59,184,978	22,600	-	2,416,885	61,624,463
Equipment	31,352,821	3,298,683	(1,049,317)	1,725,833	35,328,020
Right-to-use leased equipment	484,821	-	(129,435)	(296,253)	59,133
Subscription assets	1,455,189	128,171	(182,308)	-	1,401,052
Infrastructure	16,876,954	-	-	4,935,324	21,812,278
Total capital, lease, and subscription assets	150,975,465	32,523,833	(1,385,705)	(296,253)	181,817,340
Less accumulated depreciation/amortization for:					
Buildings	(8,303,547)	(651,846)	-	-	(8,955,393)
Improvements	(28,041,720)	(2,283,417)	-	-	(30,325,137)
Equipment	(16,013,564)	(2,184,945)	1,047,696	-	(17,150,813)
Right-to-use leased equipment	(169,380)	(21,355)	61,442	93,813	(35,480)
Subscription assets	(323,249)	(347,170)	182,308	-	(488,111)
Infrastructure	(7,572,504)	(743,758)	-	-	(8,316,262)
Total accumulated depreciation/amortization	(60,423,964)	(6,232,491)	1,291,446	93,813	(65,271,196)
Governmental activities capital, lease, and subscription assets, net	$ 90,551,501	$ 26,291,342	$ (94,259)	$ (202,440)	$ 116,546,144

	Beginning Balance	Additions	Retirement / Sale	Transfers	Ending Balance
Business-Type activities:					
Capital assets, non-depreciable:					
Land	$ 108,758	$ -	$ -	$ -	$ 108,758
Construction in progress	16,437,041	11,932,206	-	(14,833,570)	13,535,677
Capital assets, depreciable:					
Buildings	54,594	-	-	-	54,594
Improvements	111,093,967	-	-	12,562,435	123,656,402
Equipment	3,386,040	-	-	127,114	3,513,154
Right-to-use leased equipment	-	-	-	296,253	296,253
Infrastructure	5,566,334	-	-	2,144,021	7,710,355
Total capital assets	136,646,734	11,932,206	-	296,253	148,875,193
Less accumulated depreciation for:					
Buildings	(54,594)	-	-	-	(54,594)
Improvements	(55,886,711)	(2,724,821)	-	-	(58,611,532)
Equipment	(609,569)	(185,429)	-	-	(794,998)
Right-to-use leased equipment	-	(59,251)	-	(93,813)	(153,064)
Infrastructure	(269,039)	(138,127)	-	-	(407,166)
Total accumulated depreciation	(56,819,913)	(3,107,628)	-	(93,813)	(60,021,354)
Business-type activities capital assets, net	$ 79,826,821	$ 8,824,578	$ -	$ 202,440	$ 88,853,839

Depreciation and amortization expense was charged to the functional areas of the primary government as follows:

Governmental activities:		
General Government	$	2,683,299
Public Safety		1,063,821
Public Works		730,883
Parks		943,171
Streets		811,317
Total depreciation/amortization expense – Governmental activities	$	6,232,491
Business-Type activities:		
Water and Sewer	$	2,735,236
Sanitation		7,627
Stormwater		305,514
Aquatics		59,251
Total depreciation expense – Business type activities	$	3,107,628

The government has active construction projects as of September 30, 2025. The projects include drainage and sewerage improvements, utility improvements, and various infrastructure improvements and renovations.

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Construction in progress at September 30, 2025 is as follows:

	Balance at 09/30/2024	Expended in FY2025	Capitalized or expensed	Balance at 09/30/2025
Governmental Projects				
Pool Master Plan Phase 2	$ 63,654	$ 4,500	$ 68,154	$ -
Building Security Enhancements	409,326	110,120	-	519,446
4419 Service Center Fuel Tank Replacement	74,443	-	74,443	-
4419 Service Center Reconstruction - Design/Build	907,057	56,034	963,091	-
Snider Plaza Area Design	1,225,469	23,125	1,248,594	-
Williams Park West	48,925	33,823	82,748	-
FY21 Traffic Signal Replacement	148,535	233,134	-	381,669
Miracle Mile Street Replacement	593,731	5,009,310	-	5,603,041
Snider Plaza Paving and Phase 1 Landscaping	4,037,833	12,050,390	-	16,088,223
Upgrade Dispatch 911 Hardware/Software	15,398	652,030	667,428	-
Tennis Court Resurfacing Program	82,970	6,500	89,470	-
Athletic Field Renovation	12,000	65,371	-	77,371
FY23 LED Replacements Tennis Courts	-	49,884	49,884	-
Burleson Baseball / Backstop	136,752	28,225	-	164,977
FY23 Traffic Signal Replacement Project	-	24,500	24,500	-
ADA Transition Plan	-	81,283	-	81,283
Playground Resurfacing - Caruth Park	-	119,530	119,530	-
FY24 LED Replacements Tennis Courts	-	39,883	39,883	-
Playground Equipment Replacement - Caruth Park	-	493,060	493,060	-
Tree Inventory	71,186	42,077	113,263	-
Miscellaneous Park Improvements	13,133	164,902	178,035	-
Goar Park - Centennial	33,243	988,049	-	1,021,292
Curtis Park SE Improvements	-	605,754	605,754	-
LifePak Replacement	92,075	114,859	206,934	-
Fondren PS Facility Improvements	47,293	1,495,661	-	1,542,954
FY24 Traffic Signal Replacement	162,576	381,234	-	543,810
Roundabout Study	-	34,700	-	34,700
FY24 Facility Improvements	154,000	42,840	196,840	-
Curb, Ramp and Sidewalk Construction	483,739	2,028,007	-	2,511,746
Williams Pickleball Court Resurfacing	-	33,749	-	33,749
Curtis Park Retaining Wall	-	27,523	-	27,523
Asphalt Overlay	-	3,226,674	3,226,674	-
FY25 Facilities Improvements	-	143,801	-	143,801
FY25 Mile-Per-Year	-	144	144	-
Pavement Preservation	-	460,056	460,056	-
Temetra Walkby System	5,989	13,100	19,089	-
Medical Priority Dispatch	48,038	127,075	175,113	-
Zoom Phone System	-	63,472	-	63,472
Total	$ 8,867,365	$ 29,074,379	$ 9,102,687	$ 28,839,057
Business-Type Projects				
Water Meter Replacement	-	127,114	127,114	-
Snider Plaza Area Design	677,750	64,911	742,661	-
Storm Water Projects Phase 1 Design	1,296,792	56,432	1,353,224	-
Turtle Creek Sewer Interceptor	1,459,564	-	-	1,459,564
Snider Plaza Area Construction	48,136	-	48,136	-
Miracle Mile Street Replacement	-	676,364	-	676,364
Snider Plaza Paving and Phase 1 Landscaping	1,036,014	2,743,878	-	3,779,892
FY23 Mile-Per-Year	6,358,448	4,117	6,362,565	-
Storm Water Improvements AOI-2 and AOI-3 Design	1,485,620	743,099	-	2,228,719
FY24 Mile-Per-Year	4,074,717	2,125,153	6,199,870	-
FY25 Mile-Per-Year	-	5,391,138	-	5,391,138
Total	$ 16,437,041	$ 11,932,206	$ 14,833,570	$ 13,535,677
City Total	$ 25,304,406	$ 41,006,585	$ 23,936,257	$ 42,374,734

F. Interfund receivables, payables and transfers

Individual interfund receivable and payable balances at September 30, 2025 were as follows:

Receivable Fund	Payable Fund		
General	Water and Sewer	$	5,236,707
	UP Civic Foundation		168,476
	Technology Services		316,336
Water and Sewer	General		4,476,863
	Sanitation		180,016
	Stormwater		66,012
Sanitation	General		6,314,724
Stormwater	General		6,726,519
Capital Projects - Water and Sewer	Capital Projects - Stormwater		5,783,178
Aquatics	General		738,280
	Sanitation		63,791
	Equipment Services		5,643
Capital Projects - Gen Govt	General		2,598,065
	Capital Projects - Water and Sewer		384,377
Self-Insurance	General		4,292,001
	Water and Sewer		265,564
	Sanitation		500,389
	Aquatics		9,966
	Capital Projects - Gen Govt		316
	Technology Services		7,324
	Equipment Services		1,058,651
Equipment Service	General		412,696
	Water and Sewer		2,239,318
	Sanitation		3,439,579
Fire Training and Education	General		35,186
	Equipment Services		15,450
Court Security	General		149,052
Court Technology	General		57,296
Combined Court Tech/Security	General		3,730
Police Training and Education	General		51,899
Library	General		55,035
Parks Projects and Programs	General		13,224
	Total	$	45,665,663

All interfund balances at year-end result from the recording of cash in the General Fund, and the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. The balances noted above may be settled, offset or reduced in the coming year through cash or other investment asset transfers.

Interfund transfers during the year ended September 30, 2025 were as follows:

Transfer Out	Transfer In					
	Capital Projects	Water and Sewer	Stormwater	Aquatics	Internal Service	Total
General Fund	$ 9,768,784	$ 1,574,092	$ -	$ 1,000,000	$ 125,000	$ 12,467,876
Stormwater	-	50,000	-	-	-	50,000
Sanitation	-	30,000	-	-	-	30,000
Water and Sewer	-	-	2,500,000	-	-	2,500,000
	$ 9,768,784	$ 1,654,092	$ 2,500,000	$ 1,000,000	$ 125,000	$ 15,047,876

Interfund transfers are reported in the governmental and proprietary funds financial statements. In the government-wide statements, interfund transfers are eliminated within the governmental and business-type activities columns as appropriate.

Interfund transfers are used to move unrestricted revenues collected in the General Fund to finance various capital projects in accordance with budgetary authorizations. Authorized transfers are also made to fund the identifiable governmental-type costs of capital projects within the Water and Sewer fund.

The City did not transfer any funding to any of the special revenue funds during fiscal year 2025.

G. Long-term obligations

The following is a summary of changes in long-term obligations for the year ended September 30, 2025.

	Beginning Balance	Additions	Deductions	Ending Balance	Due Within One Year
Governmental activities					
Compensated absences	$ 2,740,265	$ 666,945	$ (200,274)	$ 3,206,936	$ 1,639,350
Leases payable	263,274	-	(238,567)	24,707	12,171
Subscriptions payable	1,033,635	128,171	(332,843)	828,963	279,323
Total Governmental activities	$ 4,037,174	$ 795,116	$ (771,684)	$ 4,060,606	$ 1,930,844
Business-type activities					
Compensated absences	$ 637,765	$ 94,579	$ (4,835)	$ 727,509	$ 319,344
Leases payable	-	206,679	(58,317)	148,362	60,091
Certificates of obligation	12,480,000	-	(550,000)	11,930,000	575,000
Unamortized premium	649,719	-	(119,120)	530,599	108,389
Total Business type activities	$ 13,767,484	$ 301,258	$ (732,272)	$ 13,336,470	$ 1,062,824

In November 2021, the City issued $14,100,000 of Combination Tax and Revenue Certificates of Obligation Series 2021. The interest rate on the certificates of obligation ranges from 2% to 4% and maturity date is February 15, 2041.

The debt service requirements for the City's certificates of obligation are as follows:

	Business-type Activities		
Fiscal Year	Principal	Interest	Total
2026	$ 575,000	$ 327,550	$ 902,550
2027	595,000	304,150	899,150
2028	620,000	279,850	899,850
2029	645,000	254,550	899,550
2030	670,000	228,250	898,250
2031-2035	3,750,000	758,275	4,508,275
2036-2040	4,185,000	312,006	4,497,006
2041	890,000	9,457	899,457
Total	$ 11,930,000	$ 2,474,088	$ 14,404,088

The City's general fund, technology services internal service fund, and aquatics fund have agreements for equipment, the terms of which expire in various years through 2028. During the fiscal year ended September 30, 2025, the City did not recognize any rental expense for variable payments not previously included in the measurement of the lease liability.

The following is a schedule of payments under leases as of September 30, 2025:

	Governmental Activities		
Fiscal Year	Principal	Interest	Total
2026	$ 12,171	$ 741	$ 12,912
2027	12,536	376	12,912
Total	$ 24,707	$ 1,117	$ 25,824

	Business-type Activities		
Fiscal Year	Principal	Interest	Total
2026	$ 60,091	$ 3,629	$ 63,720
2027	61,919	1,801	63,720
2028	26,352	198	26,550
Total	$ 148,362	$ 5,628	$ 153,990

The City's technology services internal service fund has subscription agreements for software, the terms of which expire in various years through 2033.

The following is a schedule of payments under subscription agreements as of September 30,2025:

	Governmental Activities		
Fiscal Year	Principal	Interest	Total
2026	$ 279,323	$ 34,191	$ 313,514
2027	224,153	20,423	244,576
2028	149,605	11,766	161,371
2029	33,286	7,477	40,763
2030	33,059	5,813	38,872
2031	34,729	4,072	38,801
2032	36,483	2,244	38,727
2033	38,325	325	38,650
Total	$ 828,963	$ 86,311	$ 915,274

H. Component Unit

As stated in Note I.A., SWHEA has a December 31 year-end. As of September 30, 2025, the City's General Fund had a $75,000 due to balance to SWHEA. The Statement of Net Position and Statement of Activities for this component unit are presented on the face of the government-wide financial statement.

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IV. OTHER INFORMATION

A. Risk management and self-insurance

The City maintains a comprehensive self-insurance plan. The self-insurance plan encompasses workers' compensation benefits, fire, law enforcement, auto fleet, computer hardware and software, other property, public officials' liability and general liability coverage.

The Texas Municipal League Inter-Governmental Risk Pool, a public entity risk pool operating as a common risk management and insurance program, coinsures with the City for individual claim retention levels and corresponding policy limits.

The limits and corresponding deductibles are as follows:

	Limit	Deductible
General Liability	$ 10,000,000	$ 25,000
Law Enforcement Liability	10,000,000	25,000
Error and Omissions	10,000,000	50,000
Automobile Liability/Medical Payments	5,000,000/25,000	100,000/0
Automobile Physical Damage	Actual Cash Value	10,000
Automobile Catastrophe	6,600,000	25,000
Real and Personal Property	121,617,523	25,000
Boiler and Machinery	36,000,000	25,000
Mobile Equipment	2,223,699	500
Employee Theft	5,000,000	25,000
Forgery and Alteration	250,000	25,000
Computer Fraud	5,000,000	25,000
Cyber Insurance	5,000,000	100,000
Flood	5,000,000	25,000 or 1%
Earthquake	10,000,000	25,000 or 1%

All claims and maximums are calculated for a plan year ending each September 30. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

In January 2000, the City expanded its self-insurance program to include employee health coverage. The program is configured to offer Preferred Provider Organization (PPO) coverages and Health Savings Accounts (HSA) using an outside provider network. A third-party insurance company provides claims administration and coinsures with the City for individual claim retention levels, with policy limits set at $115,000 per occurrence and an aggregate stop loss of $3,349,623 per year.

Premium payments are treated as operating revenues of the Comprehensive Self-Insurance Internal Service Fund and operating expenditures/expenses of the participating funds.

Included in accrued liabilities are the provisions for claims reported and claims incurred but not reported (IBNR) (collectively, unpaid claims liability). The provision for claims reported is determined by estimating the amount that will ultimately be paid to each claimant. The provision for claims incurred but not reported is estimated based on City experience since the inception of the program.

Unpaid claims liability of $224,542 is included in the accrued liabilities of the Comprehensive Self-Insurance Internal Service Fund.

Changes in the balances of unpaid claims liabilities during 2025 and 2024 were as follows:

	2025	2024
Unpaid claims, beginning of year	$ 276,700	$ 248,352
Current year claims (including IBNR) and change in estimate	4,421,936	3,927,118
Claim Payments	(4,474,094)	(3,898,770)
Unpaid claims, end of year	$ 224,542	$ 276,700

B. Commitments and contingencies

1. Water and sewer contracts

The City's water supply is derived from the Dallas County/Park Cities Municipal Utility District ("the MUD") under a twenty-year contract dated March 2, 2004, at an agreed upon rate that is adjusted annually. The original contract was amended in 2010 to a term of 22 years, commencing March 2, 2010 and expiring March 2, 2032. The 2025 rate for treated water was $3.9351 per 1,000 gallons. The MUD was originally created to serve (and continues to serve) only the cities of University Park and Highland Park. It has its own treatment and storage facilities and obtains its water from Lake Grapevine, in which it has rights to the first 50,000 acre-feet of stored water. During fiscal year 2025, the cost of water purchased under this contract was $7,673,721.

On November 5, 1973, the City entered into the initial twenty-year contract for sewage disposal with the City of Dallas. This contract was extended for a term of 30 years on February 22, 1984. As of February 22, 2014, the City received another thirty-year extension on the contract to February 21, 2044. Under the terms of the contract, Dallas is paid a monthly fee determined by an annual Cost-of-Service Study. During fiscal 2025, the cost of sewage disposal under this contract was $4,036,389 at a rate of $3.2598 per 1,000 gallons.

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2. Commitments

The City has contractual commitments of $132,397 in the General Fund, $7,556,170 in the Capital Projects Fund and $599,823 in other non-major governmental funds. These commitments are for various purchases and construction projects and will be funded by various general governmental revenues.

General Fund	$	132,397
Capital Projects Fund		7,556,170
UP Civic Foundation Fund		159,704
Court Security Fund		149,052
Court Technology Fund		57,296
Consolidated Court - Security and Technology		3,730
Police Training and Education Fund		17,692
Police Forfeiture Fund		9,878
Fire Training and Education Fund		50,636
Library Fund		138,229
Parks Projects and Programs Fund		13,606

3. Contingencies and Uncertainties

The City is involved in various claims and litigation arising in the ordinary course of operations, none of which, in the opinion of City officials, will have an effect on the City's financial position.

C. Deferred compensation plan

The City offers its employees a choice of two deferred compensation plans created in accordance with Internal Revenue Code Section 457. The employees have a choice of participating in the Nationwide Retirement Solutions (formerly the Public Employees Benefit Services Corporation, or PEBSCO) plan and/or the Mission Square Retirement (formerly the International City Management Association Retirement Corporation (ICMA-RC) plan. All amounts of compensation under these plans are placed into investment pools administered by Nationwide and Mission Square, respectively. The plans, available to all regular employees, permit the deferral of up to $23,500 of compensation. Employees age 50 and over may make additional catch-up contributions, allowing total annual deferrals of up to $31,000. Employees ages 60, 61, 62, and 63 may be eligible for enhanced catch-up contributions, allowing total annual deferrals of up to $34,750 in 2025. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. The City does not contribute to these plans.

All amounts of compensation deferred under these plans, all property and rights purchased with those amounts, and all income attributable to those amounts, property or rights are held in trust by a third party for the exclusive benefit of the participants and their beneficiaries. As a result, the deferred compensation investments are not included in the City's financial statements.

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D. Retirement plans

The City participates in two pension plans; Texas Municipal Retirement System (TMRS), an agent-multiple employer traditional, joint contributory, hybrid defined benefit pension plan; and the Firemen's Relief and Retirement Fund (FRRF), a single employer, contributory, defined benefit plan. Both plans are described in detail below. Aggregate amounts for the two pension plans are as follows:

	TMRS	FRRF	Total
Pension liability	129,519,738	30,475,539	159,995,277
Pension assets	119,838,781	14,336,824	134,175,605
Net pension liability	9,680,957	16,138,715	25,819,672
Deferred outflows of resources	2,862,869	1,987,122	4,849,991
Deferred inflows of resources	1,994,028	513,769	2,507,797
Pension expense	13,732,510	1,867,183	15,599,693

1. Texas Municipal Retirement System (TMRS)

Plan Description

The City participates as one of over 940 plans in the defined benefit cash-balance plan administered by the Texas Municipal Retirement System (TMRS). TMRS is a statewide public retirement plan created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G (TMRS Act) as an agent multiple-employer retirement system for employees of Texas participating cities. The TMRS Act places the general administration and management of the System with a six-member, governor appointed Board of Trustees, however TMRS does not receive any funding from the State of Texas. TMRS issues a publicly available annual comprehensive financial report that can be obtained at www.TMRS.com.

All eligible employees of the City are required to participate in TMRS (except for certain City fire personnel covered under the FRRF plan, below).

Benefits Provided

TMRS provides retirement, disability, and death benefits. Benefit provisions are adopted by the governing body of the City, within the options available in the State statues governing TMRS.

At retirement, the benefit is calculated as if the sum of the employee's contributions, with interest, and the city-financed monetary credits with interest were used to purchase an annuity. Members may choose to receive their retirement benefit in one of seven payments options. Members may also choose to receive a portion of their benefit as a Partial Lump Sum Distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the member's deposits and interest.

Plan provisions for the City were as follows:

	Plan Year 2024
Employee deposit rate	7.0%
Matching ratio (City to employee)	2 to 1
Years required for vesting	5
Service retirement eligibility (expressed as age/years of service)	60/10, any/20
Updated service credit	100% (Ad Hoc)
Transfer Service Credit	100% (Ad Hoc)
Annuity increase (to retirees)	70% of CPI (Ad Hoc)

On the actuarial valuation measurement date of December 31, 2024, the following employees/beneficiaries were covered by the benefit terms:

Membership	
Number of:	
Retirees or beneficiaries currently receiving benefits	223
Terminated employees entitled to but not yet receiving benefits	72
Active employees	231
Total	526

Contributions

The contribution rates for employees in TMRS are either 5%, 6% or 7% of employee gross earnings, and the City matching percentages are either 100%, 150% or 200%, both as adopted by the governing body of the City. Under the state law governing TMRS, the contribution rate for each city is determined annually by the actuary, using the Entry Age Normal (EAN) actuarial cost method. The actuarially determined rate is the estimated amounts necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

City employees were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rate for the City of University Park was 8.49% and 15.42% in calendar years 2024 and 2025, respectively.

The City's contributions to TMRS for the year ended September 30, 2025 was $2,905,737, and was equal to required contributions.

Net Pension Liability

The City's Net Pension Liability (NPL) was measured as of December 31, 2024, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The Total Pension Liability in the December 31, 2024 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.50% per year
Overall Payroll Growth	2.75% per year
Investment Rate of Return	6.75%, net of pension plan investment expense, including inflation

Salary increases are based on a service-related table. Mortality rates for active members are based on the PUB(10) mortality tables with 110% of the Public Safety table used for males and 100% oft the General Employee table used for females. Mortality rates for healthy retirees and beneficiaries are based on the Gender-distinct 2019 Municipal Retirees of Texas mortality tables. The rates for actives, healthy retirees and beneficiaries are projected on a fully generational basis by Scale MP-2021 to account for future mortality improvements. For disabled annuitants, the same mortality tables for healthy retirees is used with a 4-year set-forward for males and a 3-year set-forward for females. In addition, a 3.5% and 3.0% minimum mortality rate is applied, for males and females respectively, to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by Scale MP-2021 to account for future mortality improvements subject to the floor.

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS as of December 31, 2022. They were adopted in 2023 and first used in the December 31, 2023 actuarial valuation. The post-retirement mortality assumption for Annuity Purchase Rates (APRs) is based on the Mortality Experience Investigation Study covering 2009 through 2011 and dated December 31, 2013. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income in order to satisfy the short-term and long-term funding needs of TMRS.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. In determining their best estimate of a recommended investment return assumption under the various alternative asset allocation portfolios, TMRS's actuary, Gabriel Roeder Smith & Company (GRS), focused on the area between (1) the arithmetic mean (aggressive) without an adjustment for time (conservative) and (2) the geometric mean (conservative) with an adjustment for time (aggressive). The target allocation and best estimates of real rates of return for each major asset class are summarized in the following table:

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Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Global Equity	35.00%	7.10%
Core Fixed Income	6.00%	5.00%
Non-core Fixed Income	6.00%	6.80%
Hedge Funds	5.00%	6.40%
Private Equity	13.00%	8.50%
Private Debt	13.00%	8.20%
Real Estate	12.00%	6.70%
Infrastructure	6.00%	6.00%
Other Private Markets	4.00%	7.30%
	100.00%	

Discount Rate

The discount rate used to measure the Total Pension Liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statute. Based on the assumptions, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

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Changes in the Net Pension (Asset) Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension (Asset) Liability (a)-(b)
Balance beginning of year	$ 115,012,171	$ 112,547,427	$ 2,464,744
Changes for the year:			
Service cost	2,748,567	-	2,748,567
Interest	8,388,337	-	8,388,337
Change of benefit terms	11,654,345	-	11,654,345
Difference between expected and actual experience	(745,398)	-	(745,398)
Contributions - employer	-	1,791,364	(1,791,364)
Contributions - employee	-	1,459,785	(1,459,785)
Net investment income	-	11,655,241	(11,655,241)
Benefit payments, including refunds of employee contributions	(7,538,284)	(7,538,284)	-
Administrative expenses	-	(74,999)	74,999
Other changes	-	(1,753)	1,753
Net changes	14,507,567	7,291,354	7,216,213
Balance end of year	$ 129,519,738	$ 119,838,781	$ 9,680,957

Sensitivity of Discount Rate

The following presents the net pension liability/(asset) of the City, calculated using the discount rate of 6.75%, as well as what the City's net pension liability/(asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75%) or 1-precentage-point higher (7.75%) than the current rate:

1% Decrease 5.75%	Current Single Rate Assumption 6.75%	1% Increase 7.75%
$ 23,721,555	$ 9,680,957	$ (2,211,881)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's Fiduciary Net Position is available in a separately-issued TMRS financial report. That report may be obtained at www.TMRS.com.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended September 30, 2025, the City recognized pension expense of $13,732,510.

At September 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 446,692	$ 564,476
Changes in actuarial assumptions	-	407,433
Net difference between projected and actual earnings on pension plan investments	-	1,022,119
Employer's contributions to the pension plan subsequent to the measurement date	2,416,177	-
Total	$ 2,862,869	$ 1,994,028

$2,416,177 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the fiscal year ending September 30, 2026. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended September 30:	
2026	$ 19,233
2027	1,294,489
2028	(2,027,690)
2029	(833,368)
Total	$ (1,547,336)

2. Firemen's Relief and Retirement Fund (FRRF)

Plan Description

The Board of Trustees is the administrator of the University Park Firemen's Relief and Retirement Fund ("the Fund"), a single-employer defined benefit pension plan. The City of University Park, Texas is the only contributing employer. Firefighters, who joined the City prior to November 01, 2017, in the University Park Fire Department are covered by the FRRF and also contribute to the FRRF.

The plan covers current and former fire fighters of the City of University Park, Texas as well as certain beneficiaries of former firefighters. The plan was closed to new entrants as of November 1, 2017. The types of employees covered, as well as the plan membership as of December 31, 2022 (the most recent actuarial valuation) are as follows:

Number of:	12/31/2024
Retirees and beneficiaries currently receiving benefits	44
Terminated employees entitled to, but not yet receiving benefit	2
Active members	24
Total	70

Benefits

The FRRF provides service retirement, early retirement, disability, death and termination benefits. These benefits fully vest after 20 years of credited service with a partially vested benefit with 19 years of service. Employees may retire at age 50 with 20 years of service. The Plan effective January 1, 2002 provides for a monthly service retirement benefit, payable in a Joint and Two-Thirds to Spouse form of annuity. The monthly benefit equals 60% of the Highest 60-Month Average Salary plus $80.00 per month for each year of service in excess of 20 years.

A firefighter has the option to participate in a Retroactive Deferred Option Plan (RETRO DROP) which will provide a lump sum benefit and a reduced annuity upon termination of employment. Firefighters must be at least age 53 with 23 years of service at the selected RETRO DROP benefit calculation date (which is prior to the date of employment termination).

There is no provision for automatic postretirement benefit increases. The Fund has the authority to provide, and has periodically provided for, ad hoc postretirement benefit increases. The benefit provisions of this plan are authorized by the Texas Local Fire Firefighters' Retirement Act (TLFFRA). TLFFRA provides the authority and procedure to amend benefit provisions.

Net Pension Liability

The City's Net Pension Liability was measured as of December 31, 2024, based on an actuarial valuation date as of December 30, 2024, and the Total Pension Liability used to calculate the Net Pension Liability was determined by an actuarial valuation performed as of that date.

Contributions

The contribution provisions of this plan are authorized by TLFFRA. TLFFRA provides the authority and procedure to change the amount of contributions determined as a percentage of pay by each firefighter.

State law requires that each plan of benefits adopted by the Fund must be approved by an eligible actuary. The actuary certifies that the contribution commitment by the firefighters and the City provides an adequate financing arrangement. Using the entry age actuarial cost method, the Plan's normal cost contribution rate is determined as a percentage of payroll.

The excess of the total contribution rate over the normal cost rate is used to amortize the Plan's unfunded actuarial accrued liability, and the number of years needed to amortize the plan's unfunded actuarial accrued liability is determined using a level percentage of payroll method.

The costs of administering the plan are paid from the Fund.

The funding policy of the FRRF required contributions of 10.00% of pay by the members through September 2009. For the period from October 2009 through September 2010, member contributed 12.00% of total pay. For the period from October 2010 through September 2011, member contributed 14.00% of total pay. For the period from October 2011 through September 2012, member were scheduled to contribute 15.00% of total pay; however the 2011 increase was extended by one year, by vote of the membership. For the period from October 2013 to September 2014, members were scheduled to contribute 15.00% of total pay.

In accordance with current TLFFRA statutes, the City is required to make contributions to the FRRF at the same rate paid by the firefighters, or 12.00%, whichever is less. The City has traditionally contributed to the FRRF at the same rate it contributed to TMRS, which has always resulted in a rate in excess of statutory requirements. On July 1, 2008, the City FRRF contribution rate was set at 15.54% of payroll; to compensate the FRRF for the loss of contributions related to incoming fire department personnel who opted to join the TMRS Plan in accordance with TLFFRA provisions. The City continued to contribute 15.54% of total pay through September 2014.

From October 2014 to September 2016, the FRRF Board accepted the City's proposal to shift 2.00% of the contribution from the firefighters' contribution to the City contribution. This action decreased the firefighters' contribution from 15.00% to 13.00%, and increased the City's contribution from 15.54% to 17.54% for a year.

The Plan was amended as of September 27, 2017, the result of which was the Plan was closed to new entrants as of November 1, 2017 and participating employees' contributions were capped at 10.00% of pay. On October 1, 2017, the City began contributing at a rate of 20.54% of total pay and the participating employees began contributing at a rate of 10.00%.

Starting October 1, 2018, the City contribution rate increased to 28.72% of pay, in accordance with the terms of the Plan which calls for the City to contribute at a rate necessary in order to produce at least a 30-year amortization period. The City contribution continued at 28.72% of pay and the employee contribution remained unchanged at 10.00%.

The City's normal contribution to the FRRF for the year ended September 30, 2025, was $1,414,148, and was equal to the required contributions.

General Actuarial Assumptions:

The long-term expected rate of return on pension plan investments is 7.00%. The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the FRRF Board of Trustees. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income, in order to satisfy the short-term and long-term funding needs of FRRF.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Valuation date	**12/31/2024**
Actuarial cost method	Entry age
Amortization method	Level percent of payroll, closed period
Remaining amortization period	24.75 years
Asset valuation method	5-year adjusted market value
Inflation	2.75% per year
Investment rate of return	7.00%, net of investment expense
Projected salary increases	General wage increase (2.75%) plus promotion, step, and longevity increases that vary by age and service
Cost-of-living adjustments	None
Retirement Age for vested terminated members	Rates that vary by age and service
Mortality	PubS-2010 (public safety) total dataset mortality tables for employees and retirees (sex distinct), projected for mortality improvement generationally using the projection scale MP-2018.
Other information	The plan was closed to new entrants effective November 1, 2017

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The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Net Real Rate of Return (Arithmetic)
Equities		
Domestic large/all cap	23.70%	5.59%
Domestic small/mid cap	10.60%	6.09%
International developed	13.60%	6.09%
Emerging markets	6.80%	7.59%
Alternatives		
Income opportunity	13.90%	3.09%
Multi asset income	6.00%	2.59%
Alternative income	1.00%	2.59%
Fixed income		
Domestic core	23.10%	1.09%
Cash	1.30%	0.00%
Total	100.00%	
Weighted Average		4.17%

Discount Rate

The discount rate used to measure the total pension liability was 7.00%. No projection of cash flows was used to determine the discount rate because the December 31, 2022 actuarial valuation showed that expected contributions would pay the normal cost and amortize the unfunded actuarial accrued liability (UAAL) in 25 years. Because of the 25-year amortization period of the UAAL, the pension plan's fiduciary net position is expected to be available to make all projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments of 7.00%, net of investment-related expenses, was applied to all periods of projected benefit payments as the discount rate to determine the total pension liability.

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Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balance beginning of year	$ 29,594,934	$ 13,103,281	$ 16,491,653
Changes for the year:			
Service cost	545,882	-	545,882
Interest	2,056,401	-	2,056,401
Difference between expected and actual experience	(160,092)	-	(160,092)
Contributions - employer	-	1,465,165	(1,465,165)
Contributions - employee	-	336,593	(336,593)
Net Investment income	-	993,785	(993,785)
Benefit payments, including refunds of employee contributions	(1,527,304)	(1,527,304)	-
Administrative expense	-	(34,696)	34,696
Assumption changes	(34,282)	-	(34,282)
Net changes	880,605	1,233,543	(352,938)
Balance end of year	$ 30,475,539	$ 14,336,824	$ 16,138,715

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the City of University Park, calculated using the discount rate of 7.00%, compared to what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
$ 19,838,642	$ 16,138,715	$ 13,046,875

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Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended September 30, 2025, the City recognized pension expense of $1,867,183.

At September 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual economic experience	$ -	$ 488,828
Changes in actuarial assumptions	462,237	24,941
Difference between projected and actual investment earnings	494,161	-
Contributions subsequent to the measurement date	1,030,724	-
Total	$ 1,987,122	$ 513,769

The contributions of $1,030,724 made by the City to the Fund subsequent to the measurement date of the net pension liability, December 31, 2024 , through September 30, 2025 is a deferred outflow of resources that will be recognized as a reduction in the net pension liability in the fiscal year ending September 30, 2026. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

	Net Deferred Outflows/(Inflows) of Resources
2026	$ 335,140
2027	351,579
2028	(230,457)
2029	(13,633)
Total	$ 442,629

Separate audited financial statements are available, and can be obtained by contacting the City of University Park Fire Department at 3800 University Blvd., University Park, Texas 75205.

E. Other Postemployment Benefits

Plan Description

The City of University Park offers certain health care benefits to retired employees through a single-employer defined benefit plan ("the Retiree Health Plan", "the Plan" or "OPEB"). Permanent full-time employees of the City of University Park are eligible to participate in the Plan upon retirement. They may remain members of the Plan until they reach the age of 65 or otherwise become eligible for Medicare benefits. Members must pay 100% of the retiree health care premium. Members become eligible to participate in the Plan upon normal service retirement, or if they meet the Disability Retirement provisions of TMRS or FRRF, whichever applies, and draw disability retirement benefits from TMRS or FRRF, whichever applies. Members terminating their employment before normal service retirement conditions are not eligible for retiree health care. The City of University Park does not provide subsidized retiree vision or dental coverage. The Plan does not issue separate financial statements. All payments received or made on behalf of the Plan are done so through the Comprehensive Self-Insurance Fund. As of September 30, 2025, there are no plan assets accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No.75.

Current retirees contribute to the Plan an amount approximating the blended premium for active and retired participants. This amount is determined annually by an Employee Benefits Committee, under the direction of the City Council. Retiree contribution rates for fiscal 2025 range from $13,216 to $61,199 per year, depending on coverage levels.

At the December 31, 2024 measurement date, based on an actuarial valuation date as of December 31, 2024, the following employees were covered by the benefit terms:

	Valuation date
Number of:	12/31/2024
Inactive plan members or beneficiaries currently receiving benefits	4
Inactive plan members entitled to but not yet receiving benefits	0
Active plan members	251
Total	255

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Total OPEB Liability

The City's Total OPEB Liability was measured as of December 31, 2024 and the Total OPEB liability was determined by an actuarial valuation performed as of December 31, 2024.

Total OPEB liability		
Service cost	$	81,917
Interest on the total OPEB liability		57,970
Difference between expected and actual experience of the total OPEB liability		(542,928)
Changes of assumptions		40,277
Benefit payments		(62,934)
Net change in total OPEB liability		(425,698)
Total OPEB liability - beginning		1,528,185
Total OPEB liability - ending	$	1,102,487
Covered-employee payroll		24,219,997
Total OPEB liability as a percentage of covered-employee payroll		4.55%

Changes of assumptions reflect a change in the discount rate from 3.77% as of December 31, 2023 to 4.08% as of December 31, 2024. Additionally, the health care trend assumption was updated to reflect the plan's anticipated experience.

The benefit payments during the measurement period were determined as follows:

a. Age-adjusted premiums	$ 132,321 (retiree contributions * 1.907)
b. Retiree contributions	(69,387) (data provided by the City)
c. Total benefit payments	$ 62,934

The 1.907 factor equals the ratio of the expected retiree claims to the expected retiree contributions. The underlying retiree claims were estimated using age-adjusted premiums.

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Actuarial assumptions

The actuarial assumptions used to value the liabilities are the same as those used in the valuation report as of December 31, 2024, which include the following:

	12/31/2024
Valuation date	
Actuarial cost method	Individual entry age
Discount rate	4.08% as of December 31, 2024 (3.77% as of December 31, 2023)
Inflation	2.50%
Salary increase rate	3.60% to 11.85%, including inflation
Demographic assumptions	Based on the 2023 experience study conducted for the Texas Municipal Retirement System (TMRS).
Mortality	For healthy retirees, the gender-distinct 2019 Municipal Retirees of Texas mortality tables are used, with male rates multiplied by 103% and female rates multiplied by 105%. The rates are projected on a fully generational basis using the ultimate mortality improvement rates in the MP-2021 table to account for future mortality improvements.
Health care trend rates	Initial rate of 7.35% declining to an ultimate rate of 4.25% after 14 years.
Participation rates	For TMRS members, it was assumed that 0% of those retiring before age 55 and 15% of those retiring after age 55 would choose to elect health care benefits through the City. For Firefighters, it was assumed that 15% of retirees would choose to elect health care benefits through the City.
Other information	The discount rate changed from 3.77% as of December 31, 2023 to 4.08% as of December 31, 2024. Additionally, the health care trend assumption was modified.

Sensitivity of Total OPEB Liability to the Discount Rate and Healthcare Cost Trend Assumptions

The following table presents the sensitivity of the Total OPEB Liability to changes in the discount rate when calculating it at 1-percentage-point-lower (3.08%) and 1-percentage-point-higher (5.08%).

1% Decrease 3.08%	**Current Discount Rate Assumption 4.08%**	**1% Increase 5.08%**
$ 1,196,578	$ 1,102,487	$ 1,016,414

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The following table presents the sensitivity of the Total OPEB Liability to changes in the healthcare cost trend rate when calculating it at 1-percentage-point-lower and 1-percentage-point-higher.

1% Decrease	Current Healthcare Cost Trend Rate Assumption	1% Increase
$ 999,733	$ 1,102,487	$ 1,221,595

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended September 30, 2025, the City recognized OPEB expense of $132,607.

At September 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 308,567	$ 710,183
Changes in actuarial assumptions	165,685	250,497
Employer's contributions to the OPEB plan subsequent to the measurement date	41,024	-
Total	$ 515,276	$ 960,680

$41,024 reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the fiscal year ending September 30, 2026.

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Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ending September 30	Net Deferred Outflows/(Inflows) of Resources
2026	$ (7,280)
2027	(12,898)
2028	(44,039)
2029	(63,888)
2030	(113,508)
Thereafter	(244,815)
Total	$ (486,428)

The schedule of funding progress, presented as Required Supplementary Information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of the plan assets is increasing or decreasing over time, relative to the actuarial accrued liability of benefits.

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REQUIRED SUPPLEMENTARY INFORMATION

CITY OF UNIVERSITY PARK, TEXAS

Texas Municipal Retirement System

Schedule of Changes in Net Pension Liability (Asset) and Related Ratios
Last 10 years

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total pension liability										
Service cost	$ 1,850,469	$ 2,038,054	$ 1,991,805	$ 2,078,241	$ 2,176,926	$ 2,260,839	$ 2,337,154	$ 2,569,883	$ 2,601,383	$ 2,748,567
Interest (on the Total Pension Liability)	5,596,121	5,747,031	5,956,942	6,468,373	6,617,043	6,816,210	7,034,128	7,234,002	7,444,392	8,388,337
Changes of benefit terms	-	-	-	4,542,411	-	-	-	-	-	11,654,345
Difference between expected and actual experience	(6,999)	345,855	(24,424)	(1,497,663)	50,290	391,874	142,559	495,941	461,291	(745,398)
Changes in assumptions	2,198,651	-	-	-	(381,134)	-	-	-	(737,341)	-
Benefit payments, including refunds of employee contributions	(4,130,311)	(4,940,533)	(5,055,510)	(4,810,885)	(4,980,680)	(6,128,217)	(6,429,139)	(6,909,062)	(7,488,311)	(7,538,284)
Net change in total pension liability	5,507,931	3,190,407	2,868,813	6,780,477	3,482,445	3,340,706	3,084,702	3,390,764	2,281,414	14,507,567
Total pension liability -- beginning	81,084,512	86,592,443	89,782,850	92,651,663	99,432,140	102,914,585	106,255,291	109,339,993	112,730,757	115,012,171
Total pension liability -- ending	$ 86,592,443	$ 89,782,850	$ 92,651,663	$ 99,432,140	$ 102,914,585	$ 106,255,291	$ 109,339,993	$ 112,730,757	$ 115,012,171	$ 129,519,738
Plan fiduciary net position										
Contributions -- employer	$ 932,731	$ 863,712	$ 1,100,132	$ 2,198,761	$ 1,707,326	$ 1,805,126	$ 1,598,054	$ 1,723,215	$ 1,644,991	$ 1,791,364
Contributions -- employee	1,054,827	1,089,289	1,065,136	1,117,334	1,173,997	1,241,245	1,271,180	1,394,510	1,409,418	1,459,785
Net investment income	126,138	5,634,758	11,911,941	(2,841,833)	13,986,212	7,759,386	13,927,319	(8,545,037)	12,114,211	11,655,241
Benefit payments, including refund of employee contributions	(4,130,311)	(4,940,533)	(5,055,510)	(4,810,885)	(4,980,680)	(6,128,217)	(6,429,139)	(6,909,062)	(7,488,311)	(7,538,284)
Administrative expense	(76,833)	(63,648)	(61,750)	(54,956)	(79,085)	(50,266)	(64,520)	(74,074)	(77,271)	(74,999)
Other	(3,795)	(3,429)	(3,129)	(2,870)	(2,374)	(1,965)	442	88,392	(540)	(1,753)
Net change in plan fiduciary net position	(2,097,243)	2,580,149	8,956,820	(4,394,449)	11,805,396	4,625,309	10,303,336	(12,322,056)	7,602,498	7,291,354
Plan fiduciary net position -- beginning	85,487,667	83,390,424	85,970,573	94,927,393	90,532,944	102,338,340	106,963,649	117,266,985	104,944,929	112,547,427
Plan fiduciary net position -- ending	$ 83,390,424	$ 85,970,573	$ 94,927,393	$ 90,532,944	$ 102,338,340	$ 106,963,649	$ 117,266,985	$ 104,944,929	$ 112,547,427	$ 119,838,781
Net pension liability/(asset)	$ 3,202,019	$ 3,812,277	$ (2,275,730)	$ 8,899,196	$ 576,245	$ (708,358)	$ (7,926,992)	$ 7,785,828	$ 2,464,744	$ 9,680,957
Net pension liability (asset)										
Plan fiduciary net position as a percentage of the total pension liability	96.30%	95.75%	102.46%	91.05%	99.44%	100.67%	107.25%	93.09%	97.86%	92.53%
Covered payroll	$ 15,068,964	$ 15,545,794	$ 15,216,231	$ 15,961,910	$ 16,771,388	$ 17,732,072	$ 18,159,708	$ 19,921,572	$ 20,134,542	$ 20,854,077
Net pension liability/(asset) as a percentage of covered employee payroll	21.25%	24.52%	(14.96)%	55.75%	3.44%	(3.99)%	(43.65)%	39.08%	12.24%	46.42%

Note: The amounts presented for each fiscal year were determined as of the December 31 year-end that occurred within the fiscal year.

CITY OF UNIVERSITY PARK, TEXAS

Texas Municipal Retirement System

Schedule of Contributions
Last 10 years

	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025
Actuarially Determined Contribution	$ 904,082	$ 1,051,243	$ 1,175,525	$ 1,577,524	$ 1,646,763	$ 1,580,266	$ 1,719,415	$ 1,647,375	$ 1,762,638	$ 2,905,737
Contributions in relation to the actuarially determined contribution	904,082	1,051,243	1,175,525	2,577,524	1,742,092	1,614,381	1,719,415	1,647,375	1,762,638	2,905,737
Contribution deficiency (excess)	-	-	-	(1,000,000)	(95,329)	(34,115)	-	-	-	-
Covered payroll	15,820,627	15,421,480	15,786,581	16,484,339	17,112,884	17,612,376	19,787,101	19,849,092	20,795,444	21,187,498
Contributions as a percentage of covered-employee payroll	5.71%	6.82%	7.45%	15.64%	10.18%	9.17%	8.69%	8.30%	8.48%	13.71%

CITY OF UNIVERSITY PARK, TEXAS

Texas Municipal Retirement System

Notes to Schedule of Contributions

Valuation Date:

Actuarially determined contribution rates are calculated as of December 31 and become effective in January thirteen months later.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial cost method	Entry age
Amortization method	Level percentage of payroll, closed
Remaining amortization period	20 years (longest amortization ladder)
Asset valuation method	10 Year smoothed market; 12% soft corridor
Inflation	2.50%
Salary increases	3.6% to 11.85% including inflation
Investment Rate of Return	6.75%
Retirement Age	Experience-based table of rates that vary by age. Last updated for the 2023 valuation pursuant to an experience study of the period ended 2022.
Mortality	Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. Male rates are multiplied by 103% and female rates by 105%. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence). Pre-retirement: PUB(10) mortality tables, with 110% of the Public Safety table used for males and the 100% of the General Employee table used for females. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence).
Other Information:	
Notes	Granted 100% ad hoc USC with transfer. Granted 70% retroactive ad hoc COLA. Adopted 5 year vesting.

CITY OF UNIVERSITY PARK, TEXAS

Texas Municipal Retirement System

Schedule of Investment Returns
Last 10 years

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Annual money-weighted rate of return, net of investment expense	0.08%	7.55%	13.82%	(2.38)%	14.68%	7.55%	12.92%	(7.36)%	11.64%	10.40%

Note: In accordance with paragraph 50 of GASB Statement No. 67, this Schedule only includes information which has been measured in conformity with Statement No. 67. Disclosures for years in which information has not developed in accordance with GASB Statement No. 67 have not been included. The money-weighted rate of return expresses investment performance, net of investment expense, reflecting the timing of the contributions received and the benefits paid during the year.

CITY OF UNIVERSITY PARK, TEXAS

University Park Firemen's Relief and Retirement Fund

Schedule of Changes in Net Pension Liability and Related Ratios
Last 10 years

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total pension liability										
Service cost (Pension benefit)	$ 524,967	$ 586,350	$ 603,941	$ 622,059	$ 435,507	$ 448,572	$ 461,579	$ 474,272	$ 531,272	$ 545,882
Service cost (Administrative expenses)	38,831	-	-	-	-	-	-	-	-	-
Interest (on the Total Pension Liability)	1,645,714	1,725,426	1,706,004	1,750,621	1,783,836	1,835,803	1,910,531	1,961,478	1,986,856	2,056,401
Difference between expected and actual experience	(1,524,554)	(717,747)	-	(554,596)	-	565,369	-	(399,798)	-	(160,092)
Changes of assumptions	1,275,048	1,152,809	-	379,290	-	672,398	-	797,248	-	(34,282)
Benefit payments, including refunds of member contributions	(1,181,483)	(1,289,836)	(1,881,221)	(1,585,110)	(1,550,811)	(1,528,225)	(1,792,505)	(1,571,678)	(1,551,150)	(1,527,304)
Net change in total pension liability	778,523	1,457,002	428,724	612,264	668,532	1,993,917	579,605	1,261,522	966,978	880,605
Total pension liability -- beginning	20,847,867	21,626,390	23,083,392	23,512,116	24,124,380	24,792,912	26,786,829	27,366,434	28,627,956	29,594,934
Total pension liability -- ending	$ 21,626,390	$ 23,083,392	$ 23,512,116	$ 24,124,380	$ 24,792,912	$ 26,786,829	$ 27,366,434	$ 28,627,956	$ 29,594,934	$ 30,475,539
Plan fiduciary net position										
Contributions -- employer	$ 588,724	$ 594,960	$ 577,935	$ 1,712,899	$ 911,456	$ 951,808	$ 1,422,524	$ 1,352,549	$ 1,510,975	$ 1,465,165
Contributions -- employee	436,340	440,963	383,092	317,545	317,360	331,410	331,198	317,946	348,245	336,593
Net in investment income	(252,668)	651,872	1,183,554	(657,661)	1,782,571	1,238,227	1,185,528	(1,940,292)	1,688,177	993,785
Benefit payments, including refund of employee contributions	(1,181,483)	(1,289,836)	(1,881,221)	(1,585,110)	(1,550,811)	(1,528,225)	(1,792,505)	(1,571,678)	(1,551,150)	(1,527,304)
Administrative expense	(38,831)	(17,131)	(24,789)	(26,941)	(13,900)	(30,763)	(13,860)	(25,780)	(15,403)	(34,696)
Net change in plan fiduciary net position	(447,918)	380,828	238,571	(239,268)	1,446,676	962,457	1,132,885	(1,867,255)	1,980,844	1,233,543
Plan fiduciary net position -- beginning	9,515,461	9,067,543	9,448,371	9,686,942	9,447,674	10,894,350	11,856,807	12,989,692	11,122,437	13,103,281
Plan fiduciary net position -- ending	$ 9,067,543	$ 9,448,371	$ 9,686,942	$ 9,447,674	$ 10,894,350	$ 11,856,807	$ 12,989,692	$ 11,122,437	$ 13,103,281	$ 14,336,824
Net pension liability	$ 12,558,847	$ 13,635,021	$ 13,825,174	$ 14,676,706	$ 13,898,562	$ 14,930,022	$ 14,376,742	$ 17,505,519	$ 16,491,653	$ 16,138,715
Plan fiduciary net position as a percentage of the total pension liability	41.93%	40.93%	41.20%	39.16%	43.94%	44.26%	47.47%	38.85%	44.28%	47.04%
Covered payroll	$ 3,356,465	$ 3,392,018	$ 3,159,841	$ 3,175,450	$ 3,173,600	$ 3,314,100	$ 3,311,980	$ 3,179,460	$ 3,482,450	$ 3,365,930
Net pension liability as a percentage of covered payroll	374.17%	401.97%	437.53%	462.19%	437.94%	450.50%	434.08%	550.58%	473.56%	479.47%

Note: The amounts presented for each fiscal year were determined as of the December 31 year-end that occurred within the fiscal year.

CITY OF UNIVERSITY PARK, TEXAS

University Park Firemen's Relief and Retirement Fund

Schedule of Contributions
Last 10 years

	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025
Actuarially Determined Contribution	$ 615,505	$ 571,700	$ 650,290	$ 906,746	$ 908,237	$ 945,724	$ 1,124,913	$ 1,290,846	$ 1,440,004	$ 1,414,148
Contributions in relation to the actuarially determined contribution	615,505	571,700	650,290	1,906,746	908,237	945,724	1,124,913	1,290,846	1,440,004	1,414,148
Contribution deficiency (excess)	-	-	-	(1,000,000)	-	-	-	-	-	-
Covered-employee payroll	3,509,148	3,259,409	3,165,970	3,157,196	3,162,386	3,292,913	3,336,041	3,333,798	3,392,871	3,288,716
Contributions as a percentage of covered-employee payroll	17.54%	17.54%	20.54%	60.39%	28.72%	28.72%	33.72%	38.72%	42.44%	43.00%

CITY OF UNIVERSITY PARK, TEXAS

University Park Firemen's Relief and Retirement Fund

Notes to Schedule of Contributions

Valuation Date:

Actuarially determined contribution rates are calculated as of December 31 and become effective in January thirteen months later.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial cost method	Entry age
Amortization method	Level percentage of payroll, closed period
Remaining amortization period	24.75 Years
Asset valuation method	5-year adjusted market value
Inflation	2.75% per year
Investment rate of return	7%, net of investment expense
Projected salary increases	General wage increase (2.75%) plus promotion, step, and longevity increases that vary by age and service
Cost-of-living adjustments	None
Retirement Age for vested terminated members	Rates that vary by age and service
Mortality	PubS-2010 (public safety) total dataset mortality tables for employees and for retirees (sex distinct), projected for mortality improvement generationally using projection scale MP-2018

Other Information:

Notes	The plan was closed to new entrants effective November 1, 2017

Note: The City adopted GASB 68 for FY15.

CITY OF UNIVERSITY PARK, TEXAS

University Park Firemen's Relief and Retirement Fund

Schedule of Investment Returns
Last 10 years

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Annual money-weighted rate of return, net of investment expense	(2.84)%	7.46%	13.78%	(6.65)%	19.21%	11.51%	10.02%	(14.90)%	14.98%	14.98%

Note:In accordance with paragraph 50 of GASB Statement No. 67, this Schedule only includes information which has been measured in conformity with Statement No. 67. Disclosures for years in which information was not developed in accordance with GASB Statement No. 67 have not been included. The money-weighted rate of return expresses investment performance, net of investment expense, reflecting the timing of the contributions received and the benefits paid during the year.

CITY OF UNIVERSITY PARK, TEXAS

Retiree Health Care Plan

Schedule of Changes in Total OPEB Liability and Related Ratios
Last 8 calendar years

	2017	2018	2019	2020	2021	2022	2023	2024
Total OPEB liability								
Service cost	$ 37,523	$ 45,173	$ 59,148	$ 79,102	$ 79,806	$ 117,639	$ 81,402	$ 81,917
Interest on the total OPEB liability	34,925	31,923	49,118	40,633	39,340	34,982	60,754	57,970
Difference between expected and actual experience of the total OPEB liability	27,271	36,425	36,631	580,366	38,167	(266,655)	(59,020)	(542,928)
Changes of assumptions	38,741	334,349	81,241	(107,616)	(132,113)	(188,142)	18,508	40,277
Benefit payments	(80,529)	(108,490)	(82,232)	(82,777)	(124,005)	(95,835)	(65,736)	(62,934)
Net change in total OPEB liability	57,931	339,380	143,906	509,708	(98,805)	(398,011)	35,908	(425,698)
Total OPEB liability - beginning	938,168	996,099	1,335,479	1,479,385	1,989,093	1,890,288	1,492,277	1,528,185
Total OPEB liability - ending	$ 996,099	$ 1,335,479	$ 1,479,385	$ 1,989,093	$ 1,890,288	$ 1,492,277	$ 1,528,185	$ 1,102,487
Covered-employee payroll	$ 18,552,150	$ 21,228,201	$ 20,002,948	$ 21,515,438	$ 21,947,477	$ 23,712,224	$ 24,101,185	$ 24,219,997
Total OPEB liability as a percentage of covered-employee payroll	5.37%	6.29%	7.40%	9.24%	8.61%	6.29%	6.34%	4.55%

Changes of assumptions reflect a change in the discount rate from 3.77% as of December 31, 2023 to 4.08% as of December 31, 2024, and health care trend assumption.

Note: The City adopted GASB 75 for FY18, and will build this schedule over the next 10 years.

The City has no assets accumulated in a trust that meets the criteria of GASB codifications P22.101 or P52.101 to pay related benefits for the OPEB plan.

CITY OF UNIVERSITY PARK, TEXAS
Budgetary Comparison Schedule
General Fund

Year Ended September 30, 2025

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Resources (inflows)				
Property tax	$ 27,079,987	$ 27,079,987	$ 26,791,661	$ (288,326)
Sales tax	6,550,000	6,550,000	7,751,865	1,201,865
Franchise fees	1,845,000	1,845,000	1,830,705	(14,295)
Permits and licenses	1,901,000	1,901,000	3,238,332	1,337,332
Fines	557,500	557,500	436,904	(120,596)
Charges for services	2,125,500	2,125,500	2,214,624	89,124
Other	350,950	350,950	650,857	299,907
Investment income	1,400,000	1,400,000	2,321,861	921,861
Donations	12,000	12,000	12,000	-
Amounts available for appropriation	41,821,937	41,821,937	45,248,809	3,426,872
Charges to appropriations				
Executive	1,627,102	1,643,897	1,652,273	(8,376)
Finance	1,371,821	1,384,762	1,438,693	(53,931)
Human Resources	667,951	667,951	565,159	102,792
Library	1,086,437	1,121,385	1,156,312	(34,927)
Court	519,990	519,990	522,487	(2,497)
Public Works Administration	417,233	417,233	443,351	(26,118)
Community Development	1,568,241	1,501,364	1,434,054	67,310
Engineering	982,860	1,023,163	897,198	125,965
Traffic	1,321,756	1,315,395	1,253,472	61,923
Facility Maintenance	469,111	460,057	469,195	(9,138)
Fire	8,888,688	8,876,313	8,640,252	236,061
Police	11,592,562	11,622,322	11,116,365	505,957
Parks	4,337,122	4,456,073	3,974,837	481,236
Streets	2,123,664	2,123,664	1,919,775	203,889
Transfers	4,842,859	12,467,859	12,467,876	(17)
Total charges to appropriations	41,817,397	49,601,428	47,951,299	1,650,129
Total change	4,540	(7,779,491)	(2,702,490)	5,077,001
Budgetary fund balance, October 1	28,734,770	28,734,770	28,734,770	-
Budgetary fund balance, September 30	$ 28,739,310	$ 20,955,279	$ 26,032,280	$ 5,077,001

See notes to required supplementary information.

Budgetary Information

The City uses the following process to legally adopt the General Fund annual budget as reflected in the financial statements:

1. Before September 1, the City Manager submits to the City Council a proposed operating budget for the fiscal year commencing October 1. The operating budget includes proposed expenditures and the means of financing them.

2. Public hearings are conducted to obtain tax and ratepayer opinion. Public notice is given as required by State law.

3. Before October 1, the City Council legally enacts the budget through passage of an ordinance.

The City Manager is authorized to transfer budgeted amounts between departments (functions); however, any amendments that increase a fund's total expenditures must be approved by the City Council after appropriate public notice and citizen participation.

Management exercises control over budgeted expenditures by sub-function (i.e., department or division), as presented in the accompanying financial statements. Unused appropriations lapse at the end of each fiscal year.

Formal budgetary integration is employed as a planning device for the General Fund. The City adopts an annual operating budget that is prepared on a modified accrual basis consistent with generally accepted accounting principles in the United State of America applicable to local government.

OTHER SUPPLEMENTARY INFORMATION

COMBINING FINANCIAL STATEMENTS

Nonmajor Governmental Funds

Special revenue funds are used to account for specific revenue sources that are restricted or committed to expenditure for specified purposes.

University Park Civic Foundation – This fund is used to account for private donations and contributions to the City. Donations may be made for a specific project or specifically restricted for use in charitable, scientific, literary, educational, and public safety programs.

Court Security – This fund is used to account for the receipt and expenditure of the Municipal Court Building Security Fee that is charged to defendants in accordance with state law. Money in the fund may be used only to finance security personnel or to finance items which are used for the purpose of providing security services for buildings housing a municipal court.

Court Technology – This fund is used to account for the receipt and expenditure of the Municipal Court Technology Fee that is charged to defendants in accordance with state law. Money in the fund may be used only to finance the purchase of or to maintain technological enhancements for a municipal court.

Combined Court Security and Technology - This fund is used by cities with populations under 100,000 to account for court security and court technology fees assessed to defendants in accordance with Texas House Bill 1950 (89th Legislature). Resources may be used only for the municipal court security personnel, security equipment, and technology enhancements for the operation of municipal courts.

Police Training and Education – This fund is used to account for the receipt and expenditure of monies received from various agencies specifically for police training and education purposes.

Police Forfeiture Fund – This fund is used to account for funds awarded by the court to the Police Department. The expenditure of these funds is legally restricted for use in police activities.

Fire Training and Education – This fund is used to account for the receipt and expenditure of monies received from various agencies specifically for fire personnel training and education purposes.

Library – This fund is used to account for the receipt and expenditure of monies donated from various sources for the City library.

Parks Projects and Programs – This fund is used to account for the receipt and expenditure of monies received from various City park projects and programs.

CITY OF UNIVERSITY PARK, TEXAS
Combining Balance Sheet
Nonmajor Governmental Funds

September 30, 2025

	Special Revenue Funds									
	University Park Civic Foundation	Court Security	Court Technology	Combined Court Tech/Security	Police Training and Education	Police Forfeiture Fund	Fire Training and Education	Library	Parks Projects and Programs	Total
ASSETS										
Cash and cash equivalents	$ 328,751	$ -	$ -	$ -	$ -	$ 9,878	$ -	$ -	$ -	$ 338,629
Other, net	-	-	-	-	-	-	-	84,674	1,239	85,913
Due from other funds	-	149,052	57,296	3,730	51,899	-	50,636	55,035	13,224	380,872
TOTAL ASSETS	$ 328,751	$ 149,052	$ 57,296	$ 3,730	$ 51,899	$ 9,878	$ 50,636	$ 139,709	$ 14,463	$ 805,414
LIABILITIES										
Accounts payable	$ 571	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,480	$ 857	$ 2,908
Due to other funds	168,476	-	-	-	-	-	-	-	-	168,476
Unearned revenues	-	-	-	-	34,207	-	-	-	-	34,207
Total liabilities	169,047	-	-	-	34,207	-	-	1,480	857	205,591
FUND BALANCES										
Restricted to:										
General Government	77,394	-	-	-	-	-	-	138,229	-	215,623
Public Safety	-	149,052	57,296	3,730	17,692	9,878	50,636	-	-	288,284
Parks	82,310	-	-	-	-	-	-	-	13,606	95,916
Total fund balances	159,704	149,052	57,296	3,730	17,692	9,878	50,636	138,229	13,606	599,823
TOTAL LIABILITIES AND FUND BALANCES	$ 328,751	$ 149,052	$ 57,296	$ 3,730	$ 51,899	$ 9,878	$ 50,636	$ 139,709	$ 14,463	$ 805,414

CITY OF UNIVERSITY PARK, TEXAS
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds

Year Ended September 30, 2025

	Special Revenue Funds									
	University Park Civic Foundation	Court Security	Court Technology	Combined Court Tech/Security	Police Training and Education	Police Forfeiture Fund	Fire Training and Education	Library	Parks Projects and Programs	Total
REVENUES										
Fines	$ -	$ 4,321	$ 3,551	$ 3,730	$ -	$ -	$ -	$ -	$ -	$ 11,602
Other	-	-	-	-	-	383	-	-	2,889	3,272
Investment income	176	-	-	-	-	10	-	-	-	186
Donations	52,182	-	-	-	7,414	-	6,025	137,500	63,700	266,821
Total revenues	52,358	4,321	3,551	3,730	7,414	393	6,025	137,500	66,589	281,881
EXPENDITURES										
General Government	38,451	-	-	-	-	-	-	53,870	-	92,321
Public Safety	-	-	1,312	-	12,674	-	-	-	-	13,986
Parks	2,305	-	-	-	-	-	-	-	53,858	56,163
Total expenditures	40,756	-	1,312	-	12,674	-	-	53,870	53,858	162,470
Excess (deficiency) of revenues over (under) expenditures	11,602	4,321	2,239	3,730	(5,260)	393	6,025	83,630	12,731	119,411
Fund balances/(deficit) - beginning	148,102	144,731	55,057	-	22,952	9,485	44,611	54,599	875	480,412
Fund balances - ending	$ 159,704	$ 149,052	$ 57,296	$ 3,730	$ 17,692	$ 9,878	$ 50,636	$ 138,229	$ 13,606	$ 599,823

COMBINING FINANCIAL STATEMENTS

Internal Service Funds

The Internal Service Funds account for the services provided by one department to other departments of the City on a cost reimbursement basis. The following is a description of the City's Internal Service Funds:

Equipment Services Fund – Accounts for the costs of materials, supplies and the acquisition and maintenance of specific equipment used exclusively by other departments of the City.

Comprehensive Self-Insurance Fund – Accounts for the costs associated with the general liability, property and casualty, medical and worker's compensation self-insurance program established by the City.

Technology Services Fund - Accounts for the costs associated with the acquisition and maintenance of the City's array of computer systems, application software, network infrastructure, and internet web presence.

CITY OF UNIVERSITY PARK, TEXAS
Combining Statement of Net Position
Internal Service Funds

September 30, 2025

	Equipment Services	Comprehensive Self-Insurance	Technology Services	Total
ASSETS				
Current assets:				
Cash and cash equivalents	$ 747,453	$ 489,918	$ -	$ 1,237,371
Investments	-	988,110	-	988,110
Receivables (net of allowance)	11,122	5,501	-	16,623
Due from other funds	6,091,593	6,134,211	-	12,225,804
Total current assets	6,850,168	7,617,740	-	14,467,908
Non-current assets:				
Machinery and equipment	17,289,911	-	1,437,289	18,727,200
Subscription asset	-	-	1,401,052	1,401,052
Construction in progress	-	-	63,472	63,472
Less accumulated depreciation/amortization	(9,717,458)	-	(847,088)	(10,564,546)
Total non-current assets	7,572,453	-	2,054,725	9,627,178
Total assets	14,422,621	7,617,740	2,054,725	24,095,086
DEFERRED OUTFLOWS OF RESOURCES				
Difference in expected and actual pension/OPEB investment experience	26,853	2,038	20,438	49,329
Changes in pension/OPEB actuarial assumptions	6,048	663	3,347	10,058
Pension/OPEB contributions after measurement date	85,819	4,523	77,656	167,998
Total deferred outflows of resources	118,720	7,224	101,441	227,385
LIABILITIES				
Current liabilities:				
Accounts payable	2,111	497,388	35,241	534,740
Accrued liabilities	37,629	228,442	54,014	320,085
Subscription liabilities	-	-	279,323	279,323
OPEB liability	3,206	351	1,774	5,331
Accrued compensated absences	34,358	942	42,667	77,967
Due to other funds	1,079,744	-	323,660	1,403,404
Total current liabilities	1,157,048	727,123	736,679	2,620,850
Non-current liabilities:				
Subscription liabilities	-	-	549,640	549,640
Net pension liability - TMRS	337,865	17,426	307,854	663,145
OPEB liability	37,035	4,059	20,496	61,590
Accrued compensated absences	65,935	22	31,793	97,750
Total non-current liabilities	440,835	21,507	909,783	1,372,125
Total Liabilities	1,597,883	748,630	1,646,462	3,992,975
DEFERRED INFLOWS OF RESOURCES				
Difference in expected and actual experience	45,622	3,857	32,296	81,775
Changes in pension/OPEB actuarial assumptions	23,362	1,735	18,016	43,113
Difference in projected and actual pension/OPEB investment earnings	35,672	1,839	32,504	70,015
Total deferred inflows of resources	104,656	7,431	82,816	194,903
NET POSITION				
Net investment in capital assets	7,572,453	-	1,225,762	8,798,215
Unrestricted	5,266,349	6,868,903	(798,874)	11,336,378
Total net position	$ 12,838,802	$ 6,868,903	$ 426,888	$ 20,134,593

CITY OF UNIVERSITY PARK, TEXAS
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
Internal Service Funds

For the Year Ended September 30, 2025

	Equipment Services	Comprehensive Self-Insurance	Technology Services	Total
Operating revenues				
Charges for service	$ 2,312,626	$ -	$ 2,721,492	$ 5,034,118
Premiums	-	4,928,962	-	4,928,962
Other revenue	-	-	3,952	3,952
Total operating revenues	2,312,626	4,928,962	2,725,444	9,967,032
Operating expenses				
Personnel services	1,434,760	73,122	1,209,827	2,717,709
Contractual and other services	158,421	226,295	1,249,882	1,634,598
Depreciation and amortization	1,051,433	-	552,049	1,603,482
Supplies and other	50,981	-	33,692	84,673
Administrative and fiscal services	-	1,003,387	-	1,003,387
Claims paid and change in estimate	-	4,421,936	-	4,421,936
Total operating expenses	2,695,595	5,724,740	3,045,450	11,465,785
Operating loss	(382,969)	(795,778)	(320,006)	(1,498,753)
Nonoperating revenues (expenses)				
Investment income	39,218	57,715	-	96,933
Interest expense and fiscal charges	-	-	(48,063)	(48,063)
Gain on sale of capital assets	219,699	-	-	219,699
Total nonoperating revenues (expenses)	258,917	57,715	(48,063)	268,569
Loss Before Transfers	(124,052)	(738,063)	(368,069)	(1,230,184)
Transfers from other funds	-	-	125,000	125,000
Change in net position	(124,052)	(738,063)	(243,069)	(1,105,184)
Total net position - beginning	12,962,854	7,606,966	669,957	21,239,777
Total net position - ending	$ 12,838,802	$ 6,868,903	$ 426,888	$ 20,134,593

CITY OF UNIVERSITY PARK
Combining Statement of Cash Flows
Internal Service Funds

For the Year ended September 30, 2025

	Equipment Services	Comprehensive Self-Insurance	Technology Services	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers and users	$ 2,346,537	$ 4,928,962	$ 2,725,444	$ 10,000,943
Payments from other funds	23,115	810,757	80,717	914,589
Payments to suppliers	(571,934)	(5,688,144)	(1,268,358)	(7,528,436)
Payments to employees	(1,051,023)	(56,075)	(867,976)	(1,975,074)
Net cash provided by (used in) operating activities	746,695	(4,500)	669,827	1,412,022
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers from other funds	-	-	125,000	125,000
Net cash provided by noncapital financing	-	-	125,000	125,000
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition of capital assets	(2,973,832)	-	(428,141)	(3,401,973)
Principal payments on lease assets	-	-	(20,072)	(20,072)
Principal payments on subscription assets	-	-	(296,362)	(296,362)
Interest and agent fees	-	-	(50,252)	(50,252)
Proceeds from sale of capital assets	221,320	-	-	221,320
Net cash used in capital and related financing activities	(2,752,512)	-	(794,827)	(3,547,339)
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of investment securities	1,999,389	(30,982)	-	1,968,407
Interest on investments	39,218	57,715	-	96,933
Net cash provided by investing activities	2,038,607	26,733	-	2,065,340
Net increase in cash and cash equivalents	32,790	22,233	-	55,023
Cash and cash equivalents, beginning of year	714,663	467,685	-	1,182,348
Cash and cash equivalents, end of year	747,453	489,918	-	1,237,371
Reconciliation of operating income to net cash provided by (used in) operating activities:				
Operating (loss)	(382,969)	(795,778)	(320,006)	(1,498,753)
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:				
Depreciation and amortization expense	1,051,433	-	552,049	1,603,482
Decrease in due from other funds	3,265	810,757	-	814,022
Increase in pension/OPEB and deferred inflows/outflows	371,805	25,208	358,612	755,625
(Increase) in accounts receivable	(11,122)	-	-	(11,122)
Decrease in interest receivable	45,033	-	-	45,033
Increase (decrease) in accounts payable	(362,532)	(36,526)	15,216	(383,842)
Increase (decrease) in accrued liabilities	11,932	(8,161)	(16,761)	(12,990)
Increase in due to other funds	19,850	-	80,717	100,567
Total adjustments	1,129,664	791,278	989,833	2,910,775
Net cash provided by (used in) operating activities	$ 746,695	$ (4,500)	$ 669,827	$ 1,412,022
NON-CASH INVESTING ACTIVITIES				
Lease and SBITA assets acquired through liabilities	$ -	$ -	$ 91,690	91,690
Lease and SBITA assets terminated	-	-	(219,653)	(219,653)
Change in the fair value of investments	-	30,982	-	30,982
Total non-cash investment activities	$ -	$ 30,982	$ (127,963)	$ (96,981)

STATISTICAL SECTION
(UNAUDITED)

This part of the City of University Park 's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

CONTENTS **Tables**

Financial Trends **1-4**

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

Revenue Capacity **5-8**

These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.

Debt Capacity **9-13**

These schedules present information to help the reader assess the City's current levels of outstanding debt (if any) and the City's ability to issue debt in the future.

Demographic and Economic Information **14-15**

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities tak e place.

Operating Information **16-18**

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

Sources: *Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports for the relevant year. The City implemented GASB 34 in fiscal 2003; schedules presenting government-wide information include information beginning in that year.*

CITY OF UNIVERSITY PARK, TEXAS
NET POSITION BY COMPONENT
Last Ten Fiscal Years
(accrual basis of accounting)
(Unaudited)
Table 1

	2016	RESTATED 2017	2018	2019	2020	2021	2022	2023	2024	2025
Governmental activities:										
Investment in capital assets	$ 68,817,286	$ 73,575,392	$ 75,828,190	$ 77,768,481	$ 81,126,644	$ 81,021,263	$ 80,843,424	$ 82,323,278	$ 87,939,246	$ 112,205,585
Restricted	294,025	310,644	267,200	309,015	351,551	368,185	6,839,168	462,941	480,412	599,823
Unrestricted	34,824,405	30,297,434	30,671,229	28,772,501	27,336,949	33,461,020	33,544,874	40,275,241	38,123,209	16,844,199
Total governmental activities net position	$ 103,935,716	$ 104,183,470	$ 106,766,619	$ 106,849,997	$ 108,815,144	$ 114,850,468	$ 121,227,466	$ 123,061,460	$ 126,542,867	$ 129,649,607
Business type activities:										
Investment in capital assets	$ 53,297,369	$ 52,774,728	$ 52,301,964	$ 53,728,864	$ 58,672,778	$ 65,038,533	$ 55,954,846	$ 57,731,538	$ 65,485,215	$ 75,777,254
Restricted	-	-	-	-	-	-	1,540,007	-	-	-
Unrestricted	13,825,219	16,554,259	19,953,697	17,670,719	14,509,080	10,194,492	20,370,330	25,603,648	24,987,662	17,850,224
Total business type activities net position	$ 67,122,588	$ 69,328,987	$ 72,255,661	$ 71,399,583	$ 73,181,858	$ 75,233,025	$ 77,865,183	$ 83,335,186	$ 90,472,877	$ 93,627,478
Primary government:										
Investment in capital assets	$ 122,114,655	$ 126,350,120	$ 128,130,154	$ 131,497,345	$ 139,799,422	$ 146,059,796	$ 136,798,270	$ 140,054,816	$ 153,424,461	$ 187,982,839
Restricted	294,025	310,644	267,200	309,015	351,551	368,185	8,379,175	462,941	480,412	599,823
Unrestricted	48,649,624	46,851,693	50,624,926	46,443,220	41,846,029	43,655,512	53,915,204	65,878,889	63,110,871	34,694,423
Total primary government net position	$ 171,058,304	$ 173,512,457	$ 179,022,280	$ 178,249,580	$ 181,997,002	$ 190,083,493	$ 199,092,649	$ 206,396,646	$ 217,015,744	$ 223,277,085

Source: Annual Comprehensive Financial Report
Note: The City implemented GASB 75 in FY18. The unrestricted net position balances were restated for the effects of this statement in FY17 and FY18.

CITY OF UNIVERSITY PARK, TEXAS
CHANGES IN NET POSITION
Last 10 Fiscal Years
(accrual basis of accounting)
(Unaudited)

Table 2

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Expenses										
Governmental activities:										
General Government	$ 6,236,918	$ 6,575,387	$ 6,541,706	$ 7,673,588	$ 6,412,090	$ 6,885,096	$ 6,071,366	$ 6,839,380	$ 7,454,803	$ 8,879,392
Public Safety	14,562,251	15,049,833	15,230,494	18,247,996	15,962,509	15,768,343	16,491,554	19,441,334	20,276,435	26,272,126
Streets	2,022,909	1,953,853	1,897,537	2,337,910	2,129,771	2,452,310	2,076,131	2,555,715	2,586,065	3,259,357
Parks	3,867,474	3,877,072	4,095,819	4,481,787	4,211,621	4,223,877	4,577,656	5,345,419	5,433,267	5,753,049
Public Works	3,067,854	2,907,656	2,788,705	3,645,539	3,501,692	3,215,457	3,640,481	4,120,022	3,873,122	6,253,875
Interest Expense	-	-	-	-	-	-	3,392	15,279	48,614	49,159
Total governmental activities expenses	29,757,406	30,363,801	30,554,261	36,386,820	32,217,683	32,545,083	32,860,580	38,317,149	39,672,306	50,466,958
Business type activities:										
Utilities	13,640,627	14,448,042	15,302,739	16,439,217	15,330,875	15,562,781	16,940,489	18,398,237	19,129,963	21,818,889
Sanitation	3,098,111	3,025,626	2,946,676	3,662,744	3,200,828	2,914,642	3,404,548	3,784,034	3,768,354	5,122,564
Stormwater	68,884	176,504	234,719	236,658	122,427	130,244	584,651	674,029	625,428	606,698
Aquatics	-	-	-	-	-	-	-	-	-	777,765
Interest Expense	-	-	-	-	-	-	-	-	-	5,403
Total business type activities expenses	16,807,622	17,650,172	18,484,134	20,338,619	18,654,130	18,607,667	20,929,688	22,856,300	23,523,745	28,331,319
Total primary government expense	$ 46,565,028	$ 48,013,973	$ 49,038,395	$ 56,725,439	$ 50,871,813	$ 51,152,750	$ 53,790,268	$ 61,173,449	$ 63,196,051	$ 78,798,277
Program Revenues										
Governmental activities:										
Charges for services:										
General Government	$ 65,914	$ 69,685	$ 63,377	$ 67,529	$ 53,450	$ 60,771	$ 70,090	$ 71,549	$ 373,289	$ 140,147
Public Safety	2,259,477	2,521,682	2,391,984	2,331,861	2,089,829	1,938,734	1,965,514	2,260,351	2,461,622	2,468,062
Parks	319,968	298,901	388,202	419,427	86,430	417,147	453,011	541,903	587,834	161,074
Public Works	1,334,508	1,762,119	3,308,409	3,012,785	1,635,531	1,428,165	2,487,428	2,500,079	1,158,866	3,113,536
Grants and contributions:	-	-	-	-	1,043,534	4,298,409	2,444,835	-	-	10,095,584
Total governmental activities program revenues	3,979,867	4,652,387	6,151,972	5,831,602	4,908,774	8,143,226	7,420,878	5,373,882	4,581,611	15,978,403
Business type activities:										
Charges for services:										
Utilities	14,605,166	15,339,518	16,548,841	15,033,306	15,994,361	16,150,249	18,518,674	20,073,595	21,231,130	22,285,402
Sanitation	2,860,758	3,061,506	3,100,506	3,112,775	3,392,167	3,513,400	3,638,526	3,751,967	4,120,666	4,211,693
Stormwater	433,302	437,057	476,192	477,267	500,729	502,195	711,975	975,155	1,200,285	1,516,269
Aquatics	-	-	-	-	-	-	-	-	-	503,192
Operating grants and contributions:	-	-	-	-	4,779	7,821	-	-	-	-
Total business type activities program revenues	17,899,226	18,838,081	20,125,539	18,623,348	19,892,036	20,173,665	22,869,175	24,800,717	26,552,081	28,516,556
Total primary government program revenues	$ 21,879,093	$ 23,490,468	$ 26,277,511	$ 24,454,950	$ 24,800,810	$ 28,316,891	$ 30,290,053	$ 30,174,599	$ 31,133,692	$ 44,494,959
Net (Expense) Revenue										
Governmental activities	$ (25,777,539)	$ (25,711,414)	$ (24,402,289)	$ (30,555,218)	$ (27,308,909)	$ (24,401,857)	$ (25,439,702)	$ (32,943,267)	$ (35,090,695)	$ (34,488,555)
Business type activities	1,091,604	1,187,909	1,641,405	(1,715,271)	1,237,906	1,565,998	1,939,487	1,944,417	3,028,336	185,237
Total primary government net expense	$ (24,685,935)	$ (24,523,505)	$ (22,760,884)	$ (32,270,489)	$ (26,071,003)	$ (22,835,859)	$ (23,500,215)	$ (30,998,850)	$ (32,062,359)	$ (34,303,318)

Source: Annual Comprehensive Financial Report

CITY OF UNIVERSITY PARK, TEXAS
CHANGES IN NET POSITION
Last 10 Fiscal Years
(accrual basis of accounting)
(Unaudited) **Table 2**

General Revenues and Other Changes in Net Position

Governmental activities:										
Taxes:										
Property	$ 17,530,625	$ 18,463,633	$ 18,999,877	$ 19,832,232	$ 21,411,142	$ 22,506,548	$ 22,628,214	$ 23,530,297	$ 24,925,555	$ 26,797,204
Sales tax	4,245,822	4,421,709	4,558,780	4,914,991	4,755,160	5,855,461	7,271,710	7,153,334	7,533,753	7,751,865
Franchise Fees	2,087,318	2,072,947	1,848,515	1,860,884	1,584,008	1,495,762	1,764,712	1,909,960	1,803,104	1,830,705
Investment earnings (loss)	347,503	394,574	697,960	1,324,920	1,294,189	(14,284)	(1,283,227)	2,244,759	4,052,809	2,636,964
Other	1,368,791	1,265,815	1,220,981	3,240,471	581,490	848,631	471,708	294,283	245,757	654,129
Grants and contributions not restricted	133,524	98,836	67,313	110,633	97,875	98,692	1,355,765	86,732	419,789	278,821
Gain (loss) on sale of capital assets	(124,075)	-	-	-	-	118,679	103,742	78,612	138,091	219,699
Transfers	(1,073,620)	(388,560)	(407,988)	(645,535)	(449,808)	(472,308)	(495,924)	(520,716)	(546,756)	(2,574,092)
Total governmental activities	24,515,888	26,328,954	26,985,438	30,638,596	29,274,056	30,437,181	31,816,700	34,777,261	38,572,102	37,595,295
Business type activities:										
Investment earnings (loss)	25,671	38,991	115,711	189,277	89,698	(13,635)	(119,497)	755,070	1,087,678	385,019
Other	32,190	737,609	761,570	24,381	4,863	26,496	4,560	11,315	23,407	10,253
Grants and contributions not restricted	-	-	-	-	-	-	311,684	2,238,485	2,451,514	-
Gain (loss) on sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers	1,073,620	388,560	407,988	645,535	449,808	472,308	495,924	520,716	546,756	2,574,092
Total business type activities	1,131,481	1,165,160	1,285,269	859,193	544,369	485,169	692,671	3,525,586	4,109,355	2,969,364
Total primary government	$ 25,647,369	$ 27,494,114	$ 28,270,707	$ 31,497,789	$ 29,818,425	$ 30,922,350	$ 32,509,371	$ 38,302,847	$ 42,681,457	$ 40,564,659
Change in Net Position										
Governmental activities	$ (1,261,651)	$ 617,540	$ 2,583,149	$ 83,378	$ 1,965,147	$ 6,035,324	$ 6,376,998	$ 1,833,994	$ 3,481,407	$ 3,106,740
Business type activities	2,223,085	2,353,069	2,926,674	(856,078)	1,782,275	2,051,167	2,632,158	5,470,003	7,137,691	3,154,601
Total primary government net	$ 961,434	$ 2,970,609	$ 5,509,823	$ (772,700)	$ 3,747,422	$ 8,086,491	$ 9,009,156	$ 7,303,997	$ 10,619,098	$ 6,261,341

Source: Annual Comprehensive Financial Report

CITY OF UNIVERSITY PARK, TEXAS
FUND BALANCES, GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(modified accrual basis of accounting)
(Unaudited) **Table 3**

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Fund										
Nonspendable	$ 622,861	$ 591,377	$ 589,430	$ 625,563	$ 672,762	$ 609,298	$ 662,255	$ 842,425	$ 801,655	$ 722,496
Restricted	-	-	-	-	-	-	-	-	-	-
Committed	20,750,202	17,514,501	17,514,501	17,514,501	17,514,501	16,928,283	16,290,783	16,290,783	13,040,783	7,540,783
Assigned	290,639	309,933	248,846	305,553	564,742	262,447	393,782	542,088	311,386	132,397
Unassigned	7,130,059	8,573,761	8,967,415	9,347,349	10,032,174	10,604,585	9,943,145	11,567,625	14,580,946	17,636,604
Total General Fund	$ 28,793,761	$ 26,989,572	$ 27,320,192	$ 27,792,966	$ 28,784,179	$ 28,404,613	$ 27,289,965	$ 29,242,921	$ 28,734,770	$ 26,032,280
All Other Governmental Funds										
Spendable										
Restricted	$ 294,025	$ 310,644	$ 267,200	$ 309,015	$ 351,551	$ 368,185	$ 452,183	$ 462,941	$ 480,412	$ 599,823
Assigned	9,966,009	11,154,189	11,215,595	14,418,519	12,596,788	12,807,448	13,648,183	18,849,762	16,481,040	7,556,170
Unassigned	-	-	-	-	-	(2,718)	(1,218)	-	-	-
Total all other governmental funds	$ 10,260,034	$ 11,464,833	$ 11,482,795	$ 14,727,534	$ 12,948,339	$ 13,172,915	$ 14,099,148	$ 19,312,703	$ 16,961,452	$ 8,155,993

Source: Annual Comprehensive Financial Report

CITY OF UNIVERSITY PARK, TEXAS
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(modified accrual basis of accounting)
(Unaudited) **Table 4**

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenues										
Taxes:										
Property	$ 17,527,721	$ 18,477,455	$ 19,006,152	$ 19,826,584	$ 21,398,952	$ 22,495,393	$ 22,626,082	$ 23,466,834	$ 24,877,836	$ 26,791,661
Sales	4,245,822	4,421,709	4,558,780	4,914,991	4,755,160	5,855,461	7,271,710	7,153,334	7,533,753	7,751,865
Franchise fees	2,087,318	2,072,947	1,848,515	1,860,884	1,584,008	1,495,762	1,764,712	1,909,960	1,803,104	1,830,705
Permits and licenses	1,418,959	1,858,996	3,403,512	3,153,187	1,726,086	1,513,555	2,579,359	2,595,184	1,266,366	3,238,332
Fines	820,356	920,316	818,107	770,218	462,838	308,028	253,853	425,083	432,037	448,506
Charges for services	1,851,865	1,882,041	1,914,328	1,914,140	1,639,898	1,964,270	2,124,407	2,394,608	2,687,417	2,214,624
Intergovernmental	-	-	-	-	1,042,808	317,794	1,099,140	6,425,203	215,400	10,095,584
Other	1,368,791	1,270,395	1,213,126	3,121,645	581,490	848,631	427,119	185,346	245,757	654,129
Investment income (loss)	347,503	394,574	697,960	1,070,577	1,175,765	(9,238)	(1,143,658)	1,904,711	3,632,250	2,540,031
Donations	133,524	98,836	75,167	110,633	97,875	98,692	154,281	86,732	419,789	278,821
Total revenues	29,801,859	31,397,269	33,535,647	36,742,859	34,464,880	34,888,348	37,157,005	46,546,995	43,113,709	55,844,258
Expenditures										
General Government	4,172,217	7,941,643	4,918,401	5,991,875	5,439,946	5,628,073	5,026,601	5,181,270	5,598,190	5,510,443
Public Safety	13,060,294	13,547,700	14,042,235	16,081,905	15,141,156	16,113,911	17,498,823	18,152,226	19,649,471	20,257,578
Streets	1,742,353	1,706,388	1,666,834	1,670,522	1,639,957	1,971,714	1,632,388	1,800,733	1,847,166	1,919,775
Parks	3,271,096	3,255,344	3,532,794	3,732,388	3,569,263	3,782,837	4,166,393	4,500,319	4,628,256	4,031,000
Public Works	2,785,712	2,548,586	2,537,195	2,853,924	3,104,044	3,096,698	3,582,931	3,466,714	3,442,003	3,983,030
Capital Outlay	5,299,512	2,600,773	5,613,757	4,002,367	5,908,688	3,977,797	4,039,573	6,056,822	10,184,637	28,938,377
Principal	-	-	-	-	-	-	-	51,008	68,068	11,816
Interest	-	-	-	-	-	-	-	6,062	8,564	1,096
Total expenditures	30,331,184	31,600,434	32,311,216	34,332,981	34,803,054	34,571,030	35,946,709	39,215,154	45,426,355	64,653,115
Excess (deficiency) of revenues over (under) expenditures	(529,325)	(203,165)	1,224,431	2,409,878	(338,174)	317,318	1,210,296	7,331,841	(2,312,646)	(8,808,857)
Other Financing Sources (Uses)										
Leases issued	-	-	-	-	-	-	-	355,386	-	-
Transfers in	2,986,407	3,747,854	5,594,617	8,451,100	3,673,044	3,594,204	4,979,994	4,302,683	4,160,736	9,768,784
Transfers out	(4,060,027)	(4,144,079)	(6,470,466)	(7,143,465)	(4,122,852)	(4,066,512)	(6,475,918)	(4,823,399)	(4,707,492)	(12,467,876)
Total other financing sources (uses)	(1,073,620)	(396,225)	(875,849)	1,307,635	(449,808)	(472,308)	(1,495,924)	(165,330)	(546,756)	(2,699,092)
Net change in fund balances	$ (1,602,945)	$ (599,390)	$ 348,582	$ 3,717,513	$ (787,982)	$ (154,990)	$ (285,628)	$ 7,166,511	$ (2,859,402)	$ (11,507,949)
Debt service as a percentage of noncapital expenditures	-	-	-	-	-	-	-	0.17%	0.22%	0.04%

Source: **Annual Comprehensive Financial Report**
NOTE: The City implemented GASB 87 in FY22. Principal and interest payments on leases are reported.
The City implemented GASB 96 in FY23. Principal and interest payments on subscription based information technology arrangements are reported.

CITY OF UNIVERSITY PARK, TEXAS
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY **Table 5**
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Real Property		Business Personal Property	Less: Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate
	Residential	Commercial				
2016	8,184,648,580	1,835,964,380	86,214,430	3,275,569,950	6,831,257,440	0.2589
2017	9,010,915,120	2,066,730,380	86,661,520	3,748,019,105	7,416,287,915	0.2488
2018	8,935,709,610	2,123,779,700	86,309,460	3,751,895,965	7,393,902,805	0.2488
2019	9,857,823,530	2,220,030,150	84,929,530	4,077,565,306	8,085,217,904	0.2454
2020	10,073,452,960	2,534,579,380	92,367,990	4,415,105,109	8,285,295,221	0.2585
2021	9,872,515,045 *	2,635,699,820	92,804,600	4,569,047,207	8,031,972,258	0.2648
2022	10,490,946,460	2,742,214,510	101,507,950	4,782,640,282	8,552,028,638	0.2644
2023	11,930,380,440	3,150,107,720	115,147,290	5,719,237,513	9,476,397,937	0.2460
2024	14,722,090,400	3,276,555,310	127,368,020	7,465,459,539	10,660,554,191	0.2362
2025	16,897,712,640	3,608,406,800	127,041,710	8,948,232,611	11,684,928,539	0.2300

Note: Property in the City is reassessed each year. Property is assessed at actual value; therefore, the assessed values are equal to actual value. Tax rates are per $100 of assessed value
* Due to significant delays resulting from the COVID-19 pandemic, properties with a market value of $589,278,250 were under protest and review at the time of certification.

Source: Dallas Central Appraisal District "Summary of the Certified Estimated Values Report."
Dallas County Tax Office "Property Tax Rates."

CITY OF UNIVERSITY PARK, TEXAS
DIRECT AND OVERLAPPING PROPERTY TAX RATES **Table 6**
(per $100 assessed value)
Last Ten Fiscal Years
(Unaudited)

	City Direct Rates			Overlapping Rates				
Fiscal Year	Operating/ General Rate	General Obligation Debt Service	Total Direct	Highland Park Independent School District	Dallas County	Parkland Hospital District	Dallas County Community College District	Total
2016	0.2589	-	0.2589	1.1119	0.2531	0.2860	0.1237	2.0336
2017	0.2488	-	0.2488	1.2032	0.2531	0.2794	0.1242	2.1087
2018	0.2488	-	0.2488	1.2032	0.2531	0.2794	0.1242	2.1087
2019	0.2454	-	0.2454	1.2355	0.2531	0.2794	0.1240	2.1374
2020	0.2585	-	0.2585	1.1655	0.2531	0.2695	0.1240	2.0706
2021	0.2648	-	0.2648	1.1519	0.2497	0.2661	0.1240	2.0565
2022	0.2644	-	0.2644	1.1310	0.2379	0.2550	0.1235	2.0118
2023	0.2460	-	0.2460	1.0778	0.2279	0.2358	0.1159	1.9034
2024	0.2362	-	0.2362	0.8927	0.2157	0.2195	0.1100	1.6741
2025	0.2300	-	0.2300	0.8669	0.2155	0.2120	0.1056	1.6300

Note: The City issued $14,100,000 of Combination Tax & Revenue Certificates of Obligation, Series 2021 in November 2021.

Source: Dallas County Tax Office "Property Tax Rates."

CITY OF UNIVERSITY PARK, TEXAS
PRINCIPAL PROPERTY TAX PAYERS
Current Year and Ten Years Ago
(Unaudited)

Table 7

	2025			2016		
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Caruth Preston Road Associate	$ 95,834,910	1	0.82%	$ 73,240,970	1	1.07%
Diamond Hillcrest LLC	57,850,000	2	0.50%	-	-	-
Janice & Trevor Rees-Jones Revocable	37,668,280	3	0.32%	13,587,096	7	0.20%
Gerald J. Ford	36,494,000	4	0.31%	24,709,824	2	0.36%
Heppner Family Home Trust	31,721,370	5	0.27%	-	-	-
Mary C. Finney Life Estate	29,694,000	6	0.25%	13,038,848	8	0.19%
Peruna Holdings Corp.	29,500,000	7	0.25%	22,550,000	3	0.33%
Lydia B. & William M. Addy	25,680,016	8	0.22%	-	-	-
Jean Christine Thompson	25,171,200	9	0.22%	-	-	-
Atmos Energy	24,376,520	10	0.21%	-	-	-
SMU Corp				21,226,730	4	0.31%
Intercity Investment				20,275,720	5	0.30%
Janice & Trevor Rees-Jones				13,986,830	6	0.20%
HG Residence Trust				12,895,224	9	0.19%
CNL Retirement CRSI Park				12,600,000	10	0.18%
	$ 393,990,296		3.37%	$ 228,111,242		3.33%

Source: Dallas County Tax Office

CITY OF UNIVERSITY PARK, TEXAS
PROPERTY TAX LEVIES AND COLLECTIONS **Table 8**
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Original Levy
2016	17,692,489	17,525,897	99.06%	9,096	17,534,993	99.11%
2017	18,453,201	18,270,892	99.01%	17,630	18,288,522	99.11%
2018	18,936,419	18,870,690	99.65%	-	18,870,690	99.65%
2019	19,843,221	19,679,809	99.18%	252	19,680,061	99.18%
2020	21,425,487	21,255,053	99.20%	22,998	21,278,051	99.31%
2021	21,268,846	22,354,508	105.10%*	(26,529)	22,327,979	104.98%
2022	22,615,173	22,511,386	99.54%	1,674	22,513,060	99.55%
2023	23,448,718	23,357,539	99.61%	(16,207)	23,341,332	99.54%
2024	24,942,128	24,842,264	99.60%	(10,681)	24,831,583	99.56%
2025	26,723,958	26,621,090	99.62%	9,317	26,630,407	99.65%

* The City's collections were in excess of 100% due to the final adjusted tax levy being greater than the certified tax roll.
Due to significant delays resulting from the COVID-19 pandemic, properties with a market value of $589,278,250 were under protest and review at the time of certification.

Source: Dallas County Tax Office

CITY OF UNIVERSITY PARK, TEXAS
RATIO OF OUTSTANDING DEBT
Last Ten Fiscal Years
(Unaudited)

Table 9

Fiscal Year	Governmental Activities		Business-Type Activities			Total Primary Government	Percentage of Personal Income	Per Capita
	Leases	SBITA	Certificates of Obligation	Premium	Leases			
2016	-	-	-	-	-	-	-	-
2017	-	-	-	-	-	-	-	-
2018	-	-	-	-	-	-	-	-
2019	-	-	-	-	-	-	-	-
2020	-	-	-	-	-	-	-	-
2021	-	-	-	-	-	-	-	-
2022	100,747	-	13,520,000	917,368	-	14,538,115	0.5399%	573.27
2023	368,790	255,244	13,010,000	778,847	-	14,412,881	0.5027%	564.70
2024	263,274	1,033,635	12,480,000	649,719	-	14,426,628	0.5054%	564.78
2025	24,707	828,963	11,930,000	530,599	148,362	13,462,631	0.4647%	526.42

Note: The City issued $14,100,000 of Combination Tax & Revenue Certificates of Obligation, Series 2021 in November 2021.

See table 14 for personal income and population data.

CITY OF UNIVERSITY PARK, TEXAS
RATIO OF NET GENERAL BONDED DEBT OUTSTANDING **Table 10**
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	General Obligation Refunding Bonds	Less: Amount Available for Debt Service	Net Bonded Debt	Percentage of Actual Taxable Value of Property	Per Capita
2016	-	-	-	-	-
2017	-	-	-	-	-
2018	-	-	-	-	-
2019	-	-	-	-	-
2020	-	-	-	-	-
2021	-	-	-	-	-
2022	-	-	-	-	-
2023	-	-	-	-	-
2024	-	-	-	-	-
2025	-	-	-	-	-

Note: All tax supported debt of the City was extinguished in fiscal year 2002.

CITY OF UNIVERSITY PARK, TEXAS
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT **Table 11**
As of September 30, 2025
(Unaudited)

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Debt repaid with property taxes			
Highland Park Independent School District	$ 395,545,000	52.96%	$ 209,480,632
Dallas County	179,530,000	3.24%	5,816,772
Dallas County Community College District	247,115,000	3.24%	8,006,526
Dallas County Hospital District	511,285,000	3.24%	16,565,634
Dallas Independent School District	4,613,765,000	0.01%	461,377
Subtotal, overlapping debt			240,330,941
City of University Park direct debt			1,002,032
Total direct and overlapping debt			$ 241,332,973

Source: Municipal Advisory Council of Texas

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of The City of University Park. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt of each overlapping government.

For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable assessed value that is within the City's boundaries and dividing it by each unit's total taxable assessed value.

CITY OF UNIVERSITY PARK, TEXAS
PLEDGED REVENUE COVERAGE
Last Ten Fiscal Years
(Unaudited)

Table 12

	Stormwater Certificates of Obligation									
								Certificates of Obligation		
Fiscal Year	Operating Revenue	Investment Revenue	Less: Fair Market Value Adjustment to Investment Revenue **1**	Less: Operating Expenses Before Depreciation	Add: Contribution Received from the Utility Fund	Add: Contribution Paid to the General Fund **2**	Net Available Revenue	Principal	Interest	Times Coverage **3**
2016	-	-	-	-	-	-	-	-	-	-
2017	-	-	-	-	-	-	-	-	-	-
2018	-	-	-	-	-	-	-	-	-	-
2019	-	-	-	-	-	-	-	-	-	-
2020	-	-	-	-	-	-	-	-	-	-
2021	-	-	-	-	-	-	-	-	-	-
2022	711,975	58,134	-	(77,969)	-	(50,000)	642,140	580,000	320,800	71%
2023	975,155	52,489	-	(133,751)	-	(50,000)	843,893	510,000	392,450	94%
2024	1,200,285	61,355	-	(96,656)	-	(50,000)	1,114,984	530,000	371,650	124%
2025	1,516,269	90,266	-	(72,704)	2,500,000	(50,000)	3,983,831	550,000	350,050	443%

1 For the coverage calculation, the fair market value adjustment to the value of investments is excluded.

2 For the coverage calculation, the stormwater contribution to the general fund is excluded

3 The City intends to fund payment of the Certificates of Obligation through a series of five annual stormwater rate increases that began in FY 2022.

Ad valorem taxes are pledged to fund any shortfall of stormwater resources and required obligations.

CITY OF UNIVERSITY PARK, TEXAS
LEGAL DEBT MARGIN INFORMATION
Last Ten Fiscal Years
(Unaudited)

Table 13

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Tax Rate Limit	$ 2.5000	$ 2.5000	$ 2.5000	$ 2.5000	$ 2.5000	$ 2.5000	$ 2.5000	$ 2.5000	$ 2.5000	$ 2.5000
Current Tax Rate	0.2589	0.2488	0.2488	0.2454	0.2585	0.2648	0.2644	0.2460	0.2362	0.2300
Available Tax Rate	$ 2.2411	$ 2.2512	$ 2.2512	$ 2.2546	$ 2.2415	$ 2.2352	$ 2.2356	$ 2.2540	$ 2.2638	$ 2.2700

Note: The City Charter of The City of University Park does not provide for a debt limit. Under provisions of Texas state law, the maximum tax rate is limited to $2.50 per $100 assessed valuation.

Source: Dallas Central Appraisal District "Summary of the Certified Estimated Values" Report. Dallas County Tax Office "Property Tax Rates."

CITY OF UNIVERSITY PARK, TEXAS
DEMOGRAPHIC AND ECONOMIC STATISTICS
Last Ten Calendar Years
(Unaudited)

Table 14

Year	Estimated Population	Personal Income (thousands of dollars)	Per Capita Personal Income	Median Age	School Enrollment	Unemployment Rate
2016	24,346	1,903,930	78,203	29.8	7,081	3.7%
2017	24,692	2,281,541	92,400	32.9	7,044	3.2%
2018	24,954	2,305,750	92,400	32.9	6,991	3.3%
2019	25,036	2,154,823	86,069	33.1	6,801	3.0%
2020	25,157	2,506,870	99,649	35.4	6,864	4.3%
2021	25,278	2,601,511	102,916	35.4	6,648	3.8%
2022	25,360	2,692,776	106,182	35.3	6,724	3.2%
2023	25,523	2,866,896	112,326	33.7	6,551	3.4%
2024	25,544	2,854,721	111,757	33.0	6,437	3.8%
2025	25,574	2,897,304	113,291	29.4	6,348	3.4%

Source: Estimated population obtained from North Central Texas Council of Governments (NCTCOG).
Current per capita personal income and median age via Census.com.
Current and updated school enrollment via the HPISD Annual Comprehensive Financial Report.
Current and updated unemployment rate via DataCommons.org.

CITY OF UNIVERSITY PARK, TEXAS
PRINCIPAL EMPLOYERS
Current Year
(Unaudited)

Table 15

UNIVERSITY PARK

Employer	Rank	Employees	Percentage of Total City Employment
Southern Methodist University	1	2,695	11%
Highland Park ISD	2	871	3%
City of University Park	3	245	1%
Tom Thumb	4	107	0%

DALLAS COUNTY

Employer	Rank	Employees
Walmart	1	38,500
UT Southwestern Medical Center	2	25,349
JP Morgan Chase	3	18,500
Medical City Healthcare	4	17,000
University of North Texas Systems	5	14,730
Southwest Airlines	6	14,618
Bank of America	7	14,300
Kroger	8	12,323
Parkland Health & Hospital Systems	9	11,872
Methodist Hospital System	10	11,224

COLLIN COUNTY

Employer	Rank	Employees
State Farm Insurance Corporate Office	1	12,000
JPMorgan Chase	2	10,530
Frisco Independent School District	3	8,850
Bank of America	4	6,318
Capital One Finance	5	5,578
Richardson Independent School District	6	5,500
Blue Cross & Blue Shield of Texas	7	5,300
Toyota Motor North America, Inc.	8	4,960
Raytheon Intelligence and Space	9	4,200
PepsiCo	10	3,759

Note: The City of University Park is primarily residential in nature, with a highly mobile workforce. Nestled between the north/south routes of the Dallas North Tollway to the west, and North Central Expressway to the east, the majority of commuters are likely employed in either Dallas or Collin County. Therefore, the major employers of those areas are presented along with the top 4 employers within the City limits. No comparative prior period information is available. Employers information was found in FY24 Dallas County ACFR, FY24 Collin County ACFR, FY25 HPISD ACFR, SMU Development and External Affairs, and directly from Tom Thumb stores located within City limits, and therefore is not intended as an accurate portrayal of actual City employment.

CITY OF UNIVERSITY PARK, TEXAS
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES
BY FUNCTION/PROGRAM
Last Ten Fiscal Years
(Unaudited)

Table 16

Function/Program	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Government										
Administrative	6	6	6	6	6	6	6	6	6	6
Finance	6	6	6	6	5	6	6	6	6	6
Human Resources	2	2	2	2	1	2	3	3	2	3
Library	4	4	3	5	4	4	6	5	5	5
Facility Maintenance	2	2	2	2	2	2	2	2	2	0
Public Safety										
Police										
Officers	43	41	41	38	39	39	40	42	39	42
Civilians	10	12	12	15	18	17	17	16	18	17
Fire										
Firefighters and officers	33	31	34	35	34	32	35	34	33	32
Civilians	1	1	1	1	1	1	1	1	1	1
Municipal Court	2	2	2	2	2	2	2	2	2	2
Parks	22	23	23	22	22	23	23	22	24	21
Public Works										
Public Works Administration ***	0	0	0	0	0	0	0	0	0	2
Community Development	10	9	9	10	10	10	10	9	9	9
Engineering	4	3	3	4	6	6	7	5	6	5
Traffic	6	7	7	7	7	8	8	8	7	8
Streets	16	16	16	15	13	16	12	15	13	14
Utilities	31	31	31	36	31	32	26	29	31	28
Sanitation	28	27	26	27	27	25	25	26	27	27
Equipment Services	9	9	9	9	10	10	10	10	10	9
Technology Services *	5	5	6	6	6	6	7	6	6	5
Aquatics **	0	0	0	0	0	0	0	0	0	1
Self Insurance	0	0	0	0	0	1	1	1	1	1
Capital Projects	0	0	0	0	0	1	1	0	1	1
Total	240	237	239	248	244	249	248	248	249	245

Source: City Human Resource Department

* Stand-alone fund beginning in FY2022
** Stand alone fund beginning in FY2025
*** Function added in 2025

CITY OF UNIVERSITY PARK, TEXAS
OPERATING INDICATORS BY FUNCTION/PROGRAM **Table 17**
Last Ten Fiscal Years
(Unaudited)

Function/Program	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Public Safety										
Police										
Parking tickets	6,386	5,793	6,499	7,747	4,744	1,963	3,373	7,088	6,489	7,397
Traffic violations	3,386	3,970	7,288	6,657	3,976	2,731	2,836	2,761	2,787	3,087
Accident calls	572	532	623	533	522	392	703	800	455	702
Total calls for service	30,199	31,051	30,862	30,347	18,973	17,499	26,638	32,906	18,073	26,270
Fire										
Number of fire runs	1,455	1,532	1,587	1,857	1,623	2,529	1,758	2,246	3,119	2,047
Number of EMS runs	1,038	1,077	876	853	769	793	834	1,053	1,055	1,232
Inspections	856	1,142	952	1,352	445	545	876	887	1,170	1,022
Parks										
Pool passes issued	2,645	2,465	2,587	2,299	1,122	2,852	2,901	2,656	2,959	3,018
Tennis passes*	-	-	-	-	-	1,363	1,324	1,437	1,863	1,228
Instructor passes*	-	-	-	-	-	33	23	10	13	19
Public Works										
Building permits issued	2,880	2,511	2,482	2,937	2,242	2,416	2,057	1,851	1,668	1,786
Work orders completed	6,824	7,216	7,408	8,623	7,512	7,373	5,816	6,431	7,427	8,848
Sanitation										
Waste hauled (tons)	12,806	12,751	12,907	13,033	13,118	12,750	13,220	13,603	13,530	13,558
Recycled materials (tons)	3,614	3,222	3,013	3,028	2,998	2,974	2,835	2,556	2,593	2,460
Green Waste	1,652	1,489	1,313	1,862	1,250	1,172	1,050	877	1,937	2,430
Utilities										
Number of consumers	8,830	8,815	8,805	8,832	8,820	8,760	8,769	8,832	8,858	8,870
Average daily consumption (ten thousands of gallons)	5,134	5,124	5,732	5,002	5,113	5,156	5,897	5,696	5,015	4,843

Sources: Various City Departments

* FY2021 is the first year the City began tracking this information.

CITY OF UNIVERSITY PARK, TEXAS
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM **Table 18**
Last Ten Fiscal Years
(Unaudited)

Function/Program	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Public Safety										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	13	12	12	12	15	15	15	15	15	15
Motorcycle units	0	2	2	2	2	2	2	2	2	2
Fire										
Stations	1	1	1	1	1	1	1	1	1	1
Trucks	2	3	3	3	3	3	3	3	4	4
MICU	2	2	2	2	2	2	2	2	4	4
Parks										
Parks (acres)	60	60	60	60	60	60	65	60	60	60
Parks (number of)	11	11	11	11	11	11	13	18	18	18
Playgrounds	9	9	9	8	8	8	8	9	9	9
Swimming Pools	2	2	2	2	2	2	2	2	2	2
Tennis Courts	12	12	12	12	12	16	16	16	16	16
Water										
Water mains (miles)	89	89	89	89	89	89	88	88	88	89
Fire hydrants	473	473	473	473	473	473	503	503	503	524
Streets										
Streets (miles)	74.6	74.6	74.6	74.6	74.6	74.6	74.6	74.6	74.6	74.6
Sewer										
Sanitary sewer lines (miles)	63.8	63.8	63.8	63.8	63.8	63.8	63.8	63.8	63.8	68.0
Storm sewer lines (miles)	25.9	25.9	25.9	25.9	25.9	25.9	25.9	25.9	25.9	25.9

Source: Various City Departments